

# Creating an Organizational Climate for Communication

## *Internal Communication and Leadership in a Project-based International Organization: The Case of UNOPS*

Master's Thesis in International Management

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### Abstract

Background: Managers in project-based international organizations struggle to recognize the dynamics between work contexts, which in turn shape organizational climate and employee interactions. Accordingly, decentralized international organizations increasingly need to address internal communication gaps between headquarters and country-level offices to ensure long-term development.

Purpose: Effective internal communication has been linked with supporting international management and enabling organizational outcomes including employee engagement and change management. Yet, few empirical studies focus on organizational climate and its relationship with effective internal communication within international organizations. Accordingly, this thesis explores the link between organizational climate, leadership and effective internal communication within one international organization, the United Nations Office for Project Services.

Methods: A qualitative approach relying on a case-study strategy was used to probe which contextual aspects impacted the flow of effective internal communication within UNOPS. Qualitative data was collected from 12 semi-structured interviews with UNOPS personnel from eight different countries. In addition, direct observations and internal document analysis were integrated to enrich the findings.

Results: The thesis argues that organizational climate significantly impacts effective internal communication within international organizations. The case study findings confirm a strong relationship between management leadership, the perception of organizational trust and people's willingness to engage in an open and clear manner. More importantly, effective internal communication was directly influenced by how consistent executive, senior and middle managers were with their actions and words. In addition, effective two-way communication was linked with the perceived clarity of roles. The thesis also supports that the internal communication criteria of *relevance*, *clarity*, *sincerity*, *credibility* and *reciprocity* as proposed by Zaremba (2006), Drucker (2007) and Marques (2010), are proportionately related to leadership. Furthermore, the findings show a positive relationship between effective internal communication and change management, as espoused by Kitchen & Daly (2002) and Bharadwaj (2014).

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## **ABBREVIATIONS**

AI: Administrative Instruction  
BD: Business Development  
CFO: Chief Financial Officer  
CMDC: Centrally Managed Direct Cost  
COM: Communication  
COO: Chief Operating Officer  
CPG: Communications & Partnerships Group  
DIN: Development Index is Negative (HDI is below 0.550)  
DIP: Development Index is Positive (HDI is above 0.700)  
ED: Executive Director  
EO: Executive Office  
EC: European Commission  
FG: Finance Group  
GMM: Global Management Meeting  
HDI: Human Development Index  
HR: Human Resources  
HQ: Headquarters  
ICA: Individual Contractor Agreement  
ICT: Information and Communications Technology  
IT: Information Technology  
LMDC: Locally Managed Direct Cost  
LTA: Legal Technical Agreement  
NRC: Non-Revenue Centre  
OD: Organizational Directive  
OP: Organizational Policy  
PGM: Programme Manager  
PM: Project Manager  
RC: Revenue Centre  
SA: Support or Administration  
SM: Senior Manager  
TB: Tuberculosis  
UN: United Nations  
UNDP: United Nations Development Programme  
UNHCR: United Nations High Commissioner for Refugees  
UNMAS: United Nations Mine Action Service  
UNOPS: United Nations Office for Project Services  
UNYB: United Nations Year Book  
WB: The World Bank  
WFP: World Food Programme



## 1.0 INTRODUCTION

*Internal communication is so entwined with the process of organising and with organisational structure, environment, power, and culture that many theorists of organisational communication argue that organisations would not exist without communication.* – Grunig, 1992 in Kitchen & Daly, 2002

Grunig's statement describes the breadth of internal communication and its importance to managing organizations. Increasingly, people have greater mobility, work in hybrid organizational structures and utilize information communication technologies (Drucker, 2007; Fjeldstad et al., 2012). Organizations can now communicate and collaborate regardless of time and space. Despite some of these changes, organizations remain largely defined by their operational environments and the people that inhabit them (Stohl, 2001; Kitchen & Daly, 2002).

Every organization is unique: the environment in which it operates, its mission, its business model, as well as its services and products (Porter, 1985, Drucker, 2007; Kotler & Keller, 2011). Yet, organizations alone do not deliver products and services: People do. In many ways, organizations are a combination of people coming together during a period of time in order to achieve something that would otherwise not be possible as an individual endeavour (Littlejohn, 2009).

Management and internal communication are not only entwined but play essential roles in achieving organizational alignment, outputs and sustained growth (Kitchen & Daly, 2002; Drucker 2007; Bharadwaj, 2014). Recent management scholarship places knowledge as the new economy and people as the primary resource for organizations (Kitchen & Daly, 2002; Drucker, 2007, Marques, 2010). This emerging trend suggests the central role of internal communication in managing people and knowledge.

Accordingly, effective internal communication requires information to be *relevant, credible, clear, sufficient* and *reciprocal* (Zaremba, 2006; Drucker, 2007; Thomas

et al., 2009; Marques, 2010). Yet, operational differences vary between parts of any organization, impacting priorities as well as personnel perceptions and behaviours (Weick, 1995; Miller, 2011). This suggests internal communication is subjective and far from inherently effective in most organizations.

International organizations need to manage and coordinate human resources in the context of rapid environment changes to ensure knowledge retention throughout the organization (Marques, 2010). As such, international management studies tend to agree on the critical importance of internal communication and change management (Kitchen & Daly, 2002; Bharadwaj, 2014). In addition, managers in international organizations face significant differences between operational environments and local demands. As a result, priorities differ between organizational functions. This can influence work climate, a concept that highlights the surface manifestations of work practices and the perceptions of role behaviour (Ostroff et al., 2013). Accordingly, the relationship between organizational climate within international organizations and effective internal communication is often understood but rarely demonstrated.

Empirical research on international organizational climate and its impact on internal communication effectiveness is fairly limited in management studies. This is partly due to issues related to scope and access. Accounting for all the dimensions related to organizational climate is challenging. Theorists tend to focus on one particular contextual aspect such as organizational structure or management (Argenti, 2003, Karanges et al., 2014). This means that the relationship between different organizational climate factors is often overlooked. In addition, access to an organization's internal environment is often restricted and difficult to obtain. Carrying out an empirical study of international organizations across several countries requires in-depth access to personnel willing to share their insights openly.

Accordingly, this thesis contributes to the growing body of organizational communication literature by exploring the differences between organizational climates within one international organization and the effect these have on

internal communication. The thesis looks at both structural and behavioural dimensions of organizational climate including *leadership, policies & practices, structure* and *channels*. Additionally, the thesis explores the relationship between effective internal communication and leadership within international organizations. As such, this thesis addresses two research questions:

RQ1. *How does organizational climate impact the flow of effective internal communication in project-based international organizations?*

RQ2. *What is the relationship between effective internal communication and management leadership in project-based international organizations?*

Furthermore, this thesis proposes a conceptual model to analyse internal communication effectiveness within international organizations. The model presents a systematic framework, integrating the four organizational climate factors identified above. These factors are then assessed in terms of their impact on the five criteria identified by Zaremba (2006), Drucker (2007), Thomas et al. (2009) and Marques (2010) for internal communication efficiency namely *relevance, credibility, clarity, sufficiency* and *reciprocity*.

The thesis uses the United Nations Office for Project Services as a case study. UNOPS is an international, consultancy-based organization, which implements peace building and development projects in challenging environments. Within international development, UNOPS has positioned itself as a key technical project management organization, with a presence in 80 countries around the world. UNOPS and its project-based operations in multiple countries make it a suitable organization to investigate the relationship between organizational climate in different parts of the same organization and effective internal communication.

This study relies on a qualitative approach to explore the organizational climate aspects and their impact on employee perception and behaviour. The researcher's insider role as a UNOPS contractor allowed the study to capitalise on valuable insights and events, which opened up new lines of inquiry and further supported the refinement of the conceptual model (Dubois & Gade, 2002;

Albarran et al, 2006). The thesis uses a data triangulation including semi-structured interviews with UNOPS personnel, direct observations and organizational documents. The refined conceptual model serves as a “baseline understanding” related to the aspects of organizational climate that impact effective internal communication within international organizations (Shenton, 2004).

## **2.0 INTERNAL COMMUNICATION**

*This chapter discusses internal communication and its development within management literature. First, internal communication concepts, approaches and definitions are outlined. Secondly, internal communication is located within contemporary international organizations. Third, criteria for effective internal communication are defined.*

### **2.1 Internal Communication: Definitions & Concepts**

Internal communication is often associated with management outcomes including organizational alignment (Mintzberg, 1989), organizational change (Kitchen & Daly, 2002; Bharadwaj, 2014) and employee engagement (Karanges et al., 2014). Internal communication in management studies has been defined as “*the process responsible for the internal exchange of information between stakeholders at all levels within the boundaries of an organization* (Karanges et al. 2014, p. 333).” Internal communication and management are often seen as entwined functions.

Accordingly, internal communication between management levels is most often the subject of study. Bennis and Nanus (1985, in Karanges et al. 2014) outline two levels of internal communication within organizations: Internal communication between executive management and the rest of the organization and supervisor communication between middle managers and employees. For large international organizations, studying internal communication between management levels is challenging given the differences between operational contexts and dispersed hierarchies.

International organizations generally have a headquarters based in one country and a number of subsidiary offices scattered around the world (Dörrenbächer & Geppert, 2011). This implies multiple hierarchies, which increase the number of communication relationships and networks (Fjeldstad, Snow, Miles, & Lettl; 2012). Moreover, internal communication includes both formal and informal interactions taking place within an organization (Kalla, 2005). This suggests that

managers need to consider what employees “must know,” “should know,” and “could know” through different channels (Pearson & Thomas, 1997 in Kitchen & Daly, 2002, p. 49). Historically, communication studies have evolved from institutional and behavioural perspectives.

As such, internal communication in early 20<sup>th</sup> century literature focuses on the formal aspects of management, which prioritize command-and-control (Albarran, Chan-Olmsted & Wirth, 2006). Internal communication is mostly concerned with aligning activities and reporting (Miller, 2011). Structure is a means to standardise roles, improving control over the workforce and achieving greater efficiency and outputs. Internal communication in the command-and-control approach is seen as inherently top-down.

Most large organizations still rely on this approach to manage complex activities and ensure accountability between different teams and tasks. While early 20<sup>th</sup> century management literature advocates the importance of structure and roles, it also minimises the agency of individuals within corporate structure and functional roles. Taylor, Fayol and Weber, for example, do not delve deeper into the subtleties of human relationships and the social dimension of management (Albarran et al., 2006; Eisenberg, 2009).

The Hawthorne Studies conducted in the 1920s helped change the utilitarian focus of management and internal communication theory. They highlighted the challenges related to human relations in organizations including personnel motivation and job satisfaction (Conrad & Haynes, 2001; Albarran et al, 2006; Eisenberg, 2009). The studies also looked at peer relations as a critical aspect of the organization, going beyond the formal views of management by acknowledging the existence of an informal environment (Albarran et al., 2006; Miller 2011).

For internal communication, the Hawthorne Studies underlined the importance of integrating human behaviour, turning the attention of management theory towards people (Weick, 1979; Albarran et al., 2006; Eisenberg, 2009). Internal

communication theory in the second half of the twentieth century mirrored this shift through the human relations approach, notably in the works of Malo, Maslow, Herzberg, McGregor and Ouchi (Albarran et al., 2006). Internal communication is a phenomenon that links individuals and groups through formal and informal networks (Miles & Snow, 1992; Kitchen & Daly, 2002; Miller, 2011).

Moreover, every employee has incentives related to their work. These vary from one person to another, ranging from a sense of fulfilment for some, to financial gain and influence for others (Mumby, 2001; Watkins, 2013). In addition, people have different socio-cultural backgrounds that influence their perception. Thus, internal communication is dependent on stakeholder perception and motives (Drucker, 2007).

People also belong to groups that have specific areas of expertise within the organization (Carlile, 2004 in Kellogg et al., 2006). A team's ability to survive in any organization is closely linked to its perceived value by senior management. Invariably, managers compete with other parts of the organization to negotiate access to future resources, impacting the way teams and employees interact (Pfeffer & Salancik, 1978). As some parts of the organization develop and accrue key expertise, information sharing between units translates into strategic value for managers (Dörrenbächer & Geppert, 2011). This suggests internal communication is political and subject to management perceptions of risks and opportunities.

People react to information only when its relevance has been acknowledged and understood. Weick (1995) notes that information "sensemaking" plays a significant part in shaping an organization's internal environment. Recipients embed information with their own interpretations during communication exchanges (Giddens, 1984; Sutcliffe, 2001; Littlejohn, 2009). Sensemaking is important in organizational studies as it acknowledges that employee perspectives are shaped by their work context. In turn people's decisions influence the work environment through their actions (Denison, 1996). Thus, behavioural interactions define work environments as organizational climates.

For international organizations, this implies internal contextual differences start at the employee level. People respond to the same information differently as a result of contextual divergences. Maitlis & Christianson (2014, p. 98) note a need to address *“the social, cultural, economic, and political forces that shape what groups will notice, how they can act, with whom they interact, and the kinds of environments that can be collectively enacted”* with regards to sensemaking. While such environmental differences impact sensemaking within international organizations, it is beyond the scope of this thesis to assess the spectrum of geopolitical, institutional, cultural and economic dimensions that can also influence organizational climate, a concept distinction from organizational culture and one defined in chapter 3.

Defining what makes internal communication effective within international organizations is inherently challenging. Accordingly, internal communication is often regarded as being effective by nature (Kalla, 2005). Yet, information exchanges alone do not constitute effective communication (Druker, 2007). This stems partly from traditional views in management, which presume organizations employ people from similar backgrounds operating in predictable environments (Stohl, 2001). For international organizations, hierarchies can often be dispersed, with varying management priorities. As a result, interpersonal conflict is a normal part of organizational life (Dörrenbächer & Geppert, 2011). Internal competition between different factions can affect organizational trust, impacting organizational climate and the degree of communication openness.

In addition, contemporary international organizations need to manage personnel with varying socio-cultural dynamics and roles across multiple countries. Globalization has translated into greater employee mobility, uncertainty and increased organizational knowledge fluctuations (Drucker, 2007). The physical distance between stakeholders also tends to increase organizational complexity and ambiguity, underlying the importance of leadership and communication clarity when addressing frequent changes (Kitchen & Daly, 2002).



These operational conditions have shifted internal communication within large organizations from a primary function of control, to one of change management, employee engagement and trust building (Kitchen & Daly, 2002; Drucker, 2007; Karanges et al., 2014). Management leadership is increasingly seen as a critical element in fostering a communication environment based on trust and openness (Argenti, 2003; Marques, 2010).

This section has defined internal communication as a multifaceted concept that involves formal and informal elements across different organizational levels. These aspects include roles and responsibilities as well as behavioural elements linked to information perception, employee motives and actions. Furthermore, this section highlighted the importance of leadership as an enabler of an organisation climate that is conducive to effective internal communication. Central to this thesis is the idea that internal communication is influenced by differences between work contexts. Thus, internal communication effectiveness needs to be addressed in greater detail. The following section develops five key aspects of internal communication effectiveness within international organizations. These criteria are later integrated into a conceptual model of effective internal communication in chapter 4.

## **2.2 Effective Internal Communication: Five Criteria**

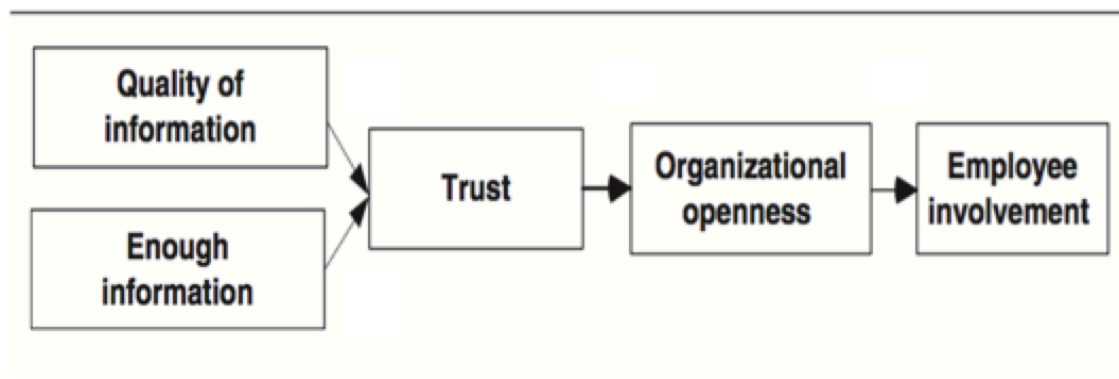
Effective internal communication is generally considered vital for large and complex organizations. Yet, this recognition is rarely translated into practice (Kara, 2005). Defining what makes internal communication successful is challenging. Most organizations differ, which makes it hard to determine appropriate metrics. As a result, organizations often do not implement appropriate ways of measuring their internal communication effectiveness. For instance, Melcrum (2004, in Bharadwaj, 2014, p. 184) conducted a study on internal communication and concluded that *“66% of internal communication practitioners did not have a measurement tool for assessing internal communication effectiveness.”* While developing appropriate ways to measure

communication efficiency can be challenging, there are a number of criteria that offer a starting point.

As such, internal communication effectiveness is generally studied in terms of quality and quantity of information. Quality refers to whether the information is “*timely, clear, accurate, pertinent and credible*” (Zaremba, 2006, p.114). Quantity refers to how much communication is needed for people to feel informed (Thomas, et al., 2009, p. 290). One can think of information quantity in terms of its “*sufficiency*”. Communication **sufficiency** is different from one person to the next, depending on role, context and communication channels used. Not everyone will require the same amount of communication to feel aptly informed.

Thomas, Zolin & Hartman (2009) developed a conceptual model of internal organizational communication, which explores the value of quality and quantity of information in fostering trust and openness, both critical aspects of organizational climate (see chapter 3). This model is shown in Figure 1 below.

**Figure 1 Theoretical model of perceived communication, trust, experienced openness & employee involvement towards organizational goals**



Source: Adapted from Thomas, Zolan & Hartman, 2009, p. 289

As such, Thomas et al.'s (2009, p. 298) empirical study demonstrates there is a positive relationship between the perceived quality of information (accuracy, timeliness and usefulness) and organizational trust. However, quantity of information in Thomas et al.'s study is not clearly established as influencing trust.

Moreover, their findings (Ibid, p. 299) support the view that organizational openness is directly linked to trust between employees and trust in management, which in turn positively impact employee involvement (employee engagement in this thesis). For the sake of clarity, *trust* is defined simply as the “*willingness of a party to be vulnerable or the intention to accept the vulnerability of trusting*” (Mayer et al., 1995 in Ammeter et al., 2004, p. 50). Ammeter et al.’s views on *trust* are linked with the perception of personnel actions and accountability. As such, organizational trust is required for and can be fostered by effective internal communication.

While Thomas, Zolan & Hartman’s study offer interesting insights related to information sharing, trust-building and internal communication, they do not account for the structural and informal factors that influence employee perception and communication effectiveness. For instance, people working for international organizations come from various backgrounds and have different role behaviours. As a result, employees interpret their environment differently (Stohl, 2001). This implies that internal communication starts with the receiver’s work context.

As such, Drucker (2007, p. 200) notes “*effective internal communication starts with the recipient rather than the emitter.*” Drucker argues that communication makes behavioural demands on the recipient. Communication is effective only if it is perceivable by the recipient. This includes content and channels. Thus effective internal communication needs to be relevant as a starting point.

Communication **relevance** is further supported by Zaremba’s (2006) criteria for successful internal communication including “*timely and pertinent*” qualities. Zaremba (2006) also discusses the relevance of communication means as equally important. Communication means need to promote organizational connectedness in a consistent and adequate manner to the receiver. Te’eni (2006, in Marques, 2010, p. 52) adds “*the important aspect of how employees feel about communication forms within the organization, and underscores that these forms will only be effective if employees understand and support their*

*merit.*” For international organizations with operations in multiple countries, ensuring communication *relevance* is complicated. Country offices and project centres have varying local demands and resources including time allocation and information communication technology (ICT). This implies discrepancies between communication requirements and uses including the relevance and frequency of communication forms.

Additionally, effective internal communication cannot be limited to top-down exchanges. Managers need to foster an open work environment that enables reciprocal and bottom-up communication (Hamel, 2007). **Reciprocity** defines the degree to which two entities are willing to exchange based on perceived benefits and trade offs (Kellogg et al. 2006; Karanges et al., 2014). Yet, *reciprocity* in practice is more difficult to ensure. Employees are always free to ignore information depending on various pressures linked to their roles (McPhee & Poole, 2001).

For international project-based organizations, communication *reciprocity* is essential to ensure coordination between members and teams. If employees feel they cannot or should not raise concerns regarding their work, then managers do not get the appropriate feedback required to make appropriate changes. In addition, *reciprocity* between stakeholders is particularly important to ensure tacit knowledge linked to operational contexts and project expertise is captured and shared. This can be challenging between management levels with competing interests. Knowledge can become a form of bargaining power for managers, influencing the degree of communication *reciprocity* (Dörrenbächer & Geppert, 2011).

Communication *reciprocity* therefore implies a degree of trust between organizational stakeholders. This suggests that organizational trust precedes internal communication reciprocity. In addition, Zaremba’s (2006, p. 115) stresses that without “*credibility*” communication likely stops with the receiver: “*Messages received must be believed or they will be discarded*”. Marques’ (2010) additional “*sincerity*” criterion echoes a similar idea of trustworthiness, especially

in manager/subordinate relationships. Inman (1979, in Marques 2010, p.54) states, *“You must be honest and sincere with employees. They must trust you before they can believe you”*. Accordingly, internal communication **credibility** is linked to managers being consistent with what they say and what they do (Kitchen & Daly, 2002; Ostroff et al., 2013).

Organizational trust is generally fostered through leadership consistency and role accountability. As a result of their inherently large and complex nature, international organizations need to ensure accountability across various organizational levels. This requires both local and global managers to exhibit leadership (see chapter 3). In addition, clarity between roles and responsibilities can be challenging as a result of physical distance or management inconsistencies, thereby fuelling conflicts and affecting trust between teams.

As such, effective communication needs to be clear. Zaremba (2006) identifies *“clarity”* as a successful communication requirement. Communication **clarity** is also suggested by Marques’ (2010) *“conciseness”* criterion, which highlights the need for communication to be direct. Most theorists agree that face-to-face communication promotes communication clarity (Bordia, 1997). Others have suggested that organizational ambiguity is necessary for internal communication. For instance, Eisenberg (1984) notes that managers face multiple complex situations in large organizations and respond with strategies that can be both effective and ambiguous. Eisenberg suggests that executives can use communication ambiguity during change management and adjust both communication direction and explicitness depending on audiences and situations (1984, p. 228). More recent scholarship however tends to advocate for clarity and transparency as a way of coping with frequent organizational changes in contemporary organizations (Kitchen & Daly, 2002; Drucker, 2007; Karanges et al., 2014).

Within project-based international organizations, the need for *clarity* in communication is essential. Yet, international organizations rely on information communication technologies to communicate. ICT channels can impact the

degree of communication clarity and senior management's ability to build consensus between personnel and roles. This can be explained partly by the amount of data ICT channels tend to create and the differences between resource allocations. As a result, information also needs to be prioritized. *Clarity* is therefore a critical communication aspect.

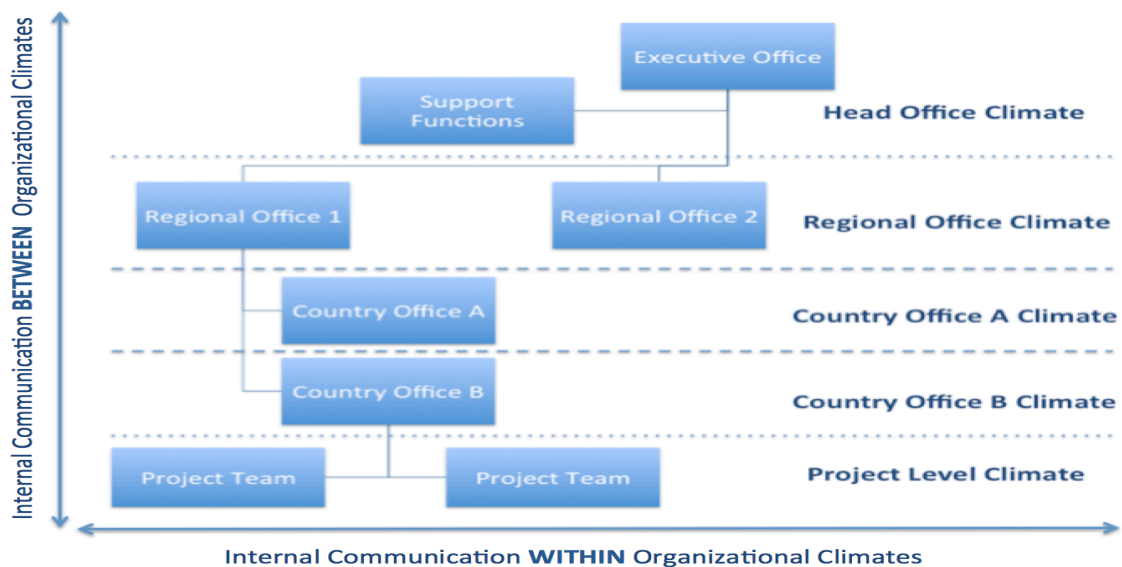
Accordingly, this chapter suggested a link between internal communication and contextual factors within international organizations. In addition, this chapter identified five characteristics required for internal communication effectiveness within international organizations, namely communication ***sufficiency, relevance, reciprocity, credibility and clarity***. Communication needs to be *relevant* first followed by *credible, clear, sufficient* and *reciprocal*. Thus, internal communication is considered effective if these criteria are present. Conversely, if most of these aspects are absent, internal communication is regarded as ineffective. Organizational climate within international organizations now requires further development to assess its relationship with effective internal communication.

### 3.0 ORGANIZATIONAL CLIMATE

*This chapter discusses organizational climate within international organizations. First, the chapter discusses key organizational climate constructs and definitions. Second, the chapter defines four organizational climate factors and their likely impact on internal communication effectiveness.*

Chapter 2 discussed the importance of communication perception as being located with the receiver's work context. John (2006, p. 386) describes context as "situational opportunities and constraints that affect the occurrence and meaning of organizational behaviour as well as functional relationships between variables." For international organizations with different operational environments, this suggests people perceive and enact contextual factors differently. More importantly, internal communication flows *between* and *within* organizational contexts through different communication climates (see Figure 2 below):

**Figure 2 Simplified structure and communication interactions within & between organizational climates**



Source: Own representation

Organizational climate relates to the way formal and informal organizational elements are perceived and enacted through everyday behaviour. Organizational climate and culture are often used interchangeably yet both concepts are distinct. Organizational culture is defined as the deeper set of beliefs, norms and values shared by employees within an organization (Schneider et al., 2013). In contrast, organizational climate is about the surface manifestations and experiences of structure, policies and practices (Ostroff, Kinicki & Muhammad, 2013). Schneider, Ehrhart & Macey (2013, p.362) define organizational climate as “*the shared perceptions of and the meaning attached to the policies, practices, and procedures employees experience and the behaviours they observe (...)*”. As such, organizational climate is closely linked to Weick’s (1995) *sensemaking* and information perception. Moreover, organizational climate has been positively linked with impacting the clarity and frequency of effective internal communication (Morgeson, Dierdorff & Hmurovic, 2010).

Internal communication is shaped by organizational climate. Managers who promote an open work environment likely encourage reciprocal communication. Similarly, internal communication is a factor of organizational climate (Ostroff et al., 2013; Bharadwaj, 2014). For instance, clear and frequent communication is believed to reduce overall feelings of ambiguity during times of organizational change (Kitchen & Daly, 2002). This “chicken and egg” relationship between management leadership and effective internal communication is further illustrated in chapter 4.

One of the limitations linked with organizational climate research has been the appropriate level of analysis. Organizational climate is rooted in behavioural studies and often researched at the individual level (Schneider et al., 2013). Conversely, culture is largely understood as a team/unit/organizational phenomenon, allowing for varying degrees of generalization (Ostroff et al., 2013). Increasingly, both culture and climate have emerged as interrelated and complimentary contextual dimensions. As such, organizational climate is



receiving renewed attention as a way to aggregate employee perception and behaviours at a broader organizational level. Ostroff et al., (2013, p. 652) note:

*“When consensus among individuals in their perceptions of climate can be demonstrated, the perceptions can be meaningfully aggregated to represent unit or organizational climate. The distinction between psychological climate as an individual perception and organizational climate as a shared perception is widely accepted today.”*

Given internal communication is about perception, the study of organizational climate at the employee level helps define what contextual factors can impact shared employee behaviour. Moreover, Ostroff et al. (2013, p. 367) add: *“Climate should be conceived of as a “climate for something” (...), which can be directly linked to a commensurate specific, strategic criterion or outcome.”* In this thesis, climate is understood as an organization’s propensity for effective internal communication. Schneider et al. (2013) earlier identified policies, practices and behaviours observed and experienced by individuals within organizations. As such, it is assumed that climate within international organizations is a combination of structural and behavioural factors.

In addition, internal communication is largely studied in terms of employee relationships between management levels (Bharadwaj, 2014). Thus management leadership (or lack thereof) is likely a key influencer of organizational climate. Furthermore, internal communication effectiveness likely impacts an international organization’s ability to manage change and employee engagement. Finally, communication processes and means in contemporary organizations increasingly rely on digital platforms to connect individuals and teams (Rice & Gattiker, 2001; Yukl, 2006). While ICT platforms can lower operational costs and allow unprecedented ways to connect people, they also increase the amount of irrelevant communication produced.

Accordingly, this thesis is interested in four climate factors and their relationship with internal communication effectiveness. This chapter looks at *leadership, policies & practices, structure and channels* as key organizational climate factors

for communication. These elements are integrated in chapter 4 as part of the thesis's conceptual model of effective internal communication within international organizations.

### **3.1 Leadership**

Leadership is often cited as the central force that shapes organizational culture and climate (Ostroff et al., 2013; Schneider et al., 2013). Whether it promotes an environment for innovation (Hamel, 2007; Dyer et al., 2011), efficiency (Drucker, 2007) or a climate of transparency during change management (Kitchen & Daly, 2002), leadership holds tremendous influence over what takes place inside organizations. Past studies have shown that leadership accounts for two thirds of employee behaviour and commitment within organizations (Zetterquist & Quirke, 2007 in Bharadwaj, 2014, p.185). This suggests that leadership is an intrinsic part of climate. While management and leadership are interrelated concepts, it is important to define what differentiates them before moving forward.

Management is mostly concerned with planning, organizing, coordinating and administering resources to perform tasks (Mintzberg, 1989). Management communication reflects these concerns through policies, announcements and reports. Leadership is about setting a vision and direction while developing appropriate strategies to support their realisation (Drucker, 2007). Increasingly, management theorists suggest that people are not managed but lead (Hamel, 2007). Hence, leadership is seen as enabling the communication climate. Leadership seeks to inspire people and implement key strategies. Management leadership also requires knowledge of individual strengths to ensure organizational alignment (Drucker, 2007).

Alignment refers to *“the notion that the key attributes of an organization (e.g., strategy, goals, culture, practices, structure) must be arranged and designed in such a way that they complement one another and operate together harmoniously* (Ostroff et al., 2013, p. 665).” Yet, alignment can become problematic within international organizations between local and global leadership with different priorities. Leadership styles often vary between

management levels. In addition, the relationship between a headquarters and its country offices is rarely straightforward and indeed is often characterised by internal conflict (Dörrenbächer & Geppert, 2011).

Accordingly, international managers need to *“balance the demands of being globally efficient (...) and the demands of the local host environments the subsidiaries operate in”* (Dörrenbächer & Geppert, 2011, p. 9). This suggests that leadership is divided between global and local levels. On a global level, senior and executive leadership will rest with the head office, which is generally responsible for strategy and policy. This gives headquarters an inherent claim of authority over the subsidiaries and can be a source of conflict between the two. Jemison and Sitkin (1986, in Dörrenbächer & Geppert, 2011, p. 196) note that *“arrogant and defensive behaviour from HQ managers and heavy handed imposition of HQ initiatives on the subsidiary might eliminate (...) the interest of subsidiary managers to respond (...)”*. While this may be true in some instances, the role of a headquarters is also to look at the broader organizational perspective and make decisions that are in the best interest of the organization as a whole.

On the other hand, leadership is also diffused locally, at the country office level. Country offices deliver the services and products. In doing so, country office directors develop tacit knowledge of their host environment, giving them bargaining power and influence (Dörrenbächer & Geppert, 2011, p.192). This can create sources of conflict between organizational priorities and management levels. Within decentralised international organizations, authority is therefore diffused, influencing organizational trust and openness between local and global management leadership levels.

Several theorists have established a positive relationship between leadership trust and internal communication openness (Kitchen & Daly, 2002; Marques, 2010; Karanges et al., 2014). As such, senior management's words and actions influence the degree to which organizational climate promotes open exchanges (Kitchen & Daly, 2002; Ostroff et al., 2013). Senior managers that say one thing

and act differently can impact the perception of trust and credibility. Garratt (2000, in Bharadwaj, 2014, p. 186) aptly notes “*clichés employed by the management presenting staff as an invaluable organizational asset meet with a scepticism that dubs them as one of the great lies in business.*” As such, leadership’s credibility and consistency matter for effective internal communication.

As Pearson & Thomas (1997, in Kitchen & Daly, 2002, p. 49) highlight, managers at all levels need to understand what employees “*must know*”, “*should know*” and “*could know*”. “*Must know*” refers to critical job-specific information. “*Should know*” is considered important and desirable organizational information such as leadership changes (Idem). Both levels of information are important. They refer to management’s ability to provide *sufficient* and *relevant* information, both criteria for effective communication. “*Could know*,” refers to the type of information such as gossip that circulates among employees through informal or uncontrolled channels. Whether factual or not, rumours can spread quickly, even within large organizations. They can have a powerful impact on the perception of global leadership’s credibility and influence local work climates. Addressing such information should be considered an important aspect of management leadership and effective internal communication.

For international organizations, the inherent local differences between contexts create additional challenges linked to employee interactions. The perception of authority and hierarchy can vary tremendously between national contexts, impacting communication reciprocity and openness. For instance, studies have shown a positive link between high power distance countries (societies which traditionally respect hierarchy) and work relationships (Hofstede 1984 in Stohl, 2001). This suggests that local leadership needs to acknowledge differences between socio- cultural dynamics if it wishes to promote a climate of openness and reciprocal communication.

This section outlined the importance of management in running daily tasks and leadership in fostering a positive communication climate. The degree of

leadership between managers manifested through clarity and consistency can greatly influence the perception of organizational trust. In turn, trust has been defined as essential in promoting open and reciprocal communication behaviour. Organizational trust and communication behaviour are also the result of how employees perceive policies and enact practices within organizations. The following section addresses this relationship in greater detail.

### **3.2 Policies & Practices**

Leadership establishes a vision and develops strategy to fulfill key goals. Organizational policies cover a range of legal, technical, financial and ethical boundaries in which employees work. These can include employment conditions as well as pricing mechanisms and the regulated use of systems and processes. In short, policies define behavioural expectations in pursuit of organizational goals.

Organizational policies and practices can have a significant effect in shaping climate for effective communication within international organizations. As Zohar (2000, in Schneider et al., 2013, p. 367) notes *“a weak climate can result when policies and procedures are inconsistent and/or when the practices that emerge from policies and procedures reveal inconsistencies.”* The way policies are perceived and practices enacted throughout the organization influence the strength of a climate in promoting internal communication openness.

As such, Ostroff et al. (2013, p. 665) highlight the need for consistency between espoused values and practices, stating *“a cultural value emphasizing teamwork coupled with a reward system emphasizing individual competitive performance sends mixed messages to employees, likely resulting in confusion and frustration.”* HR policies and practices, for instance, can create conflicting work environments. In project-based operations, HR policies and practices need to reflect staffing flexibility to cope with the temporary nature of projects (Lundin & Steinthorsson, 2003). For a contractor, this implies employment uncertainty, possible high turnover rates and fluctuations in network relationships. In turn, this

can fuel ambiguity and internal competition, affecting the way people collaborate and interact with each other.

Accordingly, policies and practices should be consistent. Project-based organizations that rely on regular collaborations need to have policies and practices that promote collaborative work. Leadership also needs to be consistent between its words and its practices. Senior leadership claiming the importance of personnel while supporting poor HR management practices, risks losing credibility and can contribute to a weaker communication climate. Similarly, if policies and practices reveal inconsistencies, leadership needs to clearly address them.

This section discussed the importance of consistency between policies and practices. It also linked policies and practices to leadership and the communication climate. While leadership and policies can have a profound impact on the experience of climate, organizational structure can also affect employee behaviour. In large, complex organizations, it is often challenging for personnel to keep track of “who does what” and “where”. This implies that role clarity and accountability between teams likely impact organizational climate. As such, the following section continues the discussion on organizational climate from a structural perspective.

### **3.3 Structure**

Organizational structure allows organizations to cope with their operating environments through coordinating mechanisms including values, norms and processes (Mintzberg, 1989). Structure is important to discuss for climate in terms of employee roles and responsibilities within the broader context of the organization. International organizations have different configurations as a result of diffused hierarchies and operational centres. Along with policies and procedures, roles and responsibilities allow organizations to establish work expectations and accountability levels. However, there is a difference between assigned roles and assumed ones. Whereas an assigned role has defined expectations, an assumed role refers to the employee’s perception of that role

and its responsibilities. As a result, role behaviour and focus vary between organizational members, creating gaps in accountability (Schmidt & Daniel, in Dörrenbächer & Geppert, 2011, p. 264).

Within international organizations, clarifying roles and areas of responsibility between units can also be challenging as a result of the distance between teams and contexts. Nowhere is this more evident than between an organization's headquarters and its subsidiaries. A country office's main role is to implement projects and acquire new business. In addition, each national context has its own characteristics that can either facilitate or hinder project implementation. As a result of function and work context, roles and responsibilities tend to be clearer at the implementation level. On the other hand, the role of a headquarters is often ambiguous in part because it tends to focus on the less concrete work of developing strategy.

Some theorists have suggested that a headquarters' role is to add value to country offices (Goold, 1996 in Dörrenbächer & Geppert, 2011, p. 196). As discussed earlier, a headquarters' role includes strategizing, policymaking and operational support. Unlike projects that have clear outputs, policy and strategy aim to fulfill intangible outcomes. Measuring HQ contributions towards operational effectiveness can be challenging, often as a result of a lack of consensus regarding performance metrics (Ammeter et al., 2004). In turn, performance ambiguity makes it difficult to assess HQ's real value to subsidiaries and therefore influences the perception of accountability across the organization.

As such, role accountability is linked to organizational trust (Ammeter et al., 2004). Role clarity and accountability matter within large organizations. They encourage relevant interactions and minimize potential work conflicts between teams by fostering trust and enabling climate openness. Moreover, geographical distances and employee fluctuations imply consistent efforts to ensure roles are clearly defined and employees understand "who does what" and where".

This section highlighted the importance of roles and the perception of accountability in fostering an open climate for communication within international organizations. This section also suggested that distances between teams and contexts amplify the need to define actual roles vs. perceived ones. The following section briefly discusses the use of communication channels as a climate factor for communication effectiveness.

### **3.4 Channels**

As Bharadwaj (2014, p. 187) writes, “*clear and effective channels of communication beget productive work ambiance.*” Communication channels in part define organizational climate. They can either be face-to-face or mediated. Accordingly, contemporary organizations rely on ICT to share information. Technology enables internal communication to leap across time and space, allows global organizations to manage operations at an unprecedented scale, lowering costs and increasing the ability to track and analyse activities. By the same token, this reliance on ICT has impacted the quality and quantity of communication between organizational contexts (Kasper-Fuehrer & Ashkanasy, 2001).

Face-to-face interaction is considered the richest form of communication. In-person conversations and team meetings for instance, allow employees to perceive non-verbal cues that support communication effectiveness (Bordia, 1997). In addition, during face-to-face communication both communicator and recipient share the same work setting. Simonson’s (2002, in Bharadwaj, 2014, p. 186) study highlights that “*employees were not satisfied with the kind of communication tools used by managers as most of the times they transmitted information without contextualizing it or without connecting it to employees’ work*”. This suggests both the importance of “communicating in context” and the potential limitations of digital platforms.

In addition, differences in capacity and access vary between countries within international organizations (Rice & Gattiker, 2001; Stohl, 2001). While there is an increase in digital telecommunication access in most countries (World Bank,



2016), ICT costs vary from one place to another (Picard, 2011). In addition, local operational pressures including regular engagements with government officials and local partners may limit the time people have to engage with other parts of the organization. In short, ICT channels make it possible to link employees and teams from different parts of international organizations. However, these platforms do not ensure people will actually engage with one another.

As such, communication channels need to promote communication “in context” that is sufficient and clear to be relevant. Regularly pushing out irrelevant content to operational teams increases communication noise. Over time, people lose interest and disregard important announcements. This means country and unit level managers must understand what employees need to know and what is the best way to convey this information in a way that does not diminish its importance. Similarly, content is only effective if it reaches employees through relevant means. Communication platforms should promote sufficient information for employees to feel informed. In addition, the platforms should allow two-way communication to foster an open climate.

This chapter defined four aspects linked to organizational climate: *leadership*, *policies & practices*, *structure* and *channels*. Each of these elements influences the criteria for internal communication effectiveness. In addition, internal communication has been linked to organizational climate. The relationship between organizational climate and effective internal communication is integrated into a conceptual model in the following chapter.

## 4.0 EFFECTIVE INTERNAL COMMUNICATION CONCEPTUAL MODEL

*This chapter develops a conceptual model of effective internal communication. Accordingly, the relationship between the two research questions is illustrated using the five criteria for effective internal communication defined in chapter 2 and the four elements of organizational climate outlined in chapter 3.*

To explore the relationship between organizational climate and effective internal communication, the thesis poses two research questions:

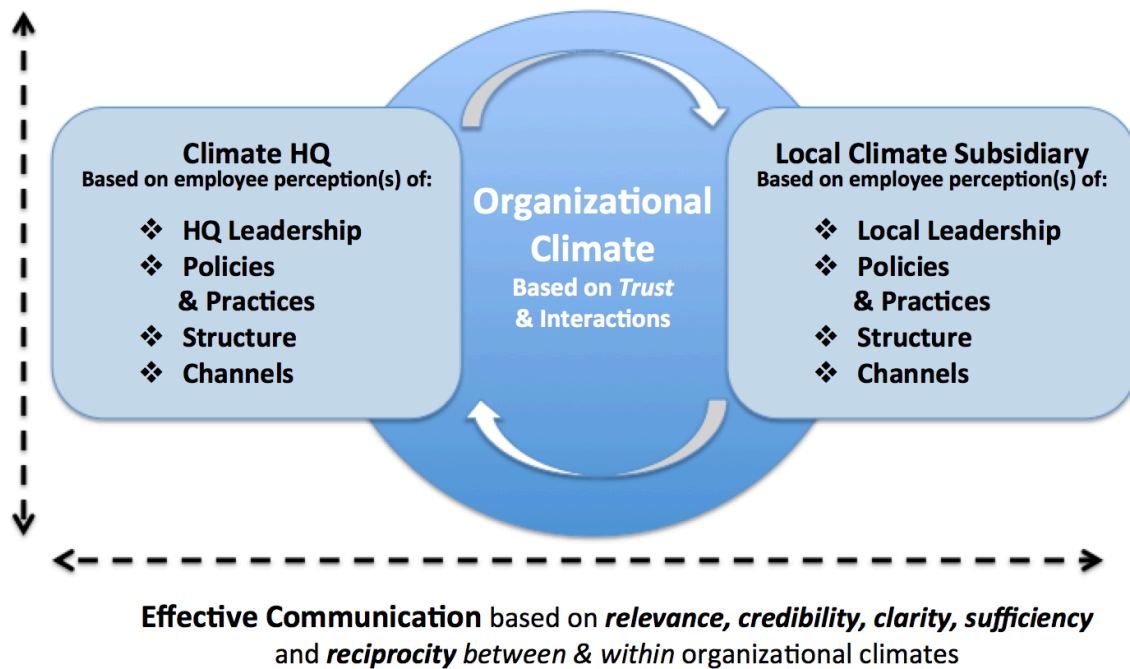
RQ1. *How does organizational climate impact the flow of effective internal communication in project-based international organizations?*

RQ2. *What is the relationship between effective internal communication and management leadership in project-based international organizations?*

Effective internal communication was defined in chapter 2 as the degree to which communication is *relevant, credible, clear, sufficient* and *reciprocal* within a recipient's operational context (Drucker, 2007; Zaremba, 2006; Thomas et al., 2009; Marques, 2010). Operational context in chapter 3 was defined through an organizational climate lens. It includes four key aspects: *leadership, policies & practices, structure and channels* (Kitchen & Daly, 2002; Yukl, 2006; Dörrenbächer & Geppert, 2011; Ostroff et al., 2013; Schneider et al., 2013; Bharadwaj, 2014).

Internal communication in this study is operationalized both *within* and *between* organizational climates. In addition, the interactions between management leadership and units define the perception of accountability and *trust* within an organization (Ammeter et al., 2004). Accordingly, the thesis has developed a conceptual model of organizational climate and effective internal communication within international organizations:

**Figure 3 Organizational climate & effective internal communication**



Source: Own representation

Within international organizations, the flow of effective internal communication is dependent on its relevance to a recipient's work climate. The model suggests that HQ and subsidiary offices have different climates. This study looks at multiple work climates between country offices and aggregates these perspectives as the organization's overall climate. The model has defined leadership as the most important factor for climate and communication as it sets work priorities, thereby determining communication *relevance*. Leadership is also strongly linked with the perception of *trust* and the degree of communication *credibility, clarity and reciprocity*. As such, leadership along with policies & practices are thought to directly influence organizational *trust* and openness between employees and management levels. It is assumed that negative perceptions of organizational trust proportionately impacts internal communication.

Roles and responsibilities are also closely linked with communication *reciprocity, clarity and sufficiency* within organizational structure. The model assumes that

internal communication within international organizations is negatively affected proportionate to the organizational distances between climates. Distance is assumed to influence *clarity* and communication *sufficiency*. Finally, differences in communication channels likely influence communication *relevance*, *sufficiency*, *clarity* and *reciprocity*. The model tests how communication channels, particularly ICT channels, influence the work climate.

The thesis looks at the “chicken and egg” relationship between management leadership and internal communication. Internal communication is often included in climate studies as a factor linked to leadership. The model aims to contribute to the growing literature on international management communication by looking at HQ and subsidiary climates as defining effective internal communication. The model also looks at the relationship between effective internal communication and management leadership. Effective internal communication has been linked with supporting management leadership in key outcomes, including change management and employee engagement. While a number of management theorists positively associate leadership communication with engagement, there has been a call to produce further empirical evidence (Chen et al., 2006 in Marques, 2010, p. 50). In the context of international management, this suggests that outcomes linked to effective internal communication could benefit from additional research.

## 5.0 RESEARCH DESIGN

*The following section outlines the research methodology and methods used while conducting this empirical study. Accordingly, the research's philosophy and exploratory approach are explained in relation to the research questions. Secondly, the study's data collection methods and analysis are detailed. Finally, the research's quality and ethics are addressed.*

### 5.1 Research Philosophy & Exploratory Approach

Internal communication effectiveness in this research was defined in Chapter 2 as being *relevant, credible, clear, sufficient* and *reciprocal*. Chapter 3 then outlined organizational climate as being influenced by *leadership, policies & practices, structure* and *channels*. Finally, the research tested the conceptual model presented in chapter 4.

The researcher's ontology is social constructivism. The study assumes that the social world is a subjective construction of meaning and (re)enactments between social actors (Yin, 2009; Matthews & Ross, 2010). Accordingly, the study's epistemology is that the world is known through people's perception of events. The aim of the research is to explore the relationship between organizational climate, leadership and effective internal communication within international organizations. Given the limited empirical research on certain contextual aspects of communication effectiveness, especially within international organizations, this thesis is exploratory (Yin, 2009; Matthews & Ross, 2010). Probing for employee perspectives was central to answering both research questions. In addition, the study also integrates a reflexive reading, which locates the researcher within the data (Matthews & Ross, 2010). This is consistent with the stated ontology and epistemology, which privileges the subjective experience and denies the existence of any objective reality.

This thesis also relies on abductive reasoning to address some of the weaknesses related to a case study strategy (Gade & Dubois, 2002). Case

studies are often criticised for their lack of research rigor and the potential for researcher biases to influence the findings (Yin, 2009 p. 14). Abductive reasoning is a process that acknowledges a continual relation between theory building and data analysis throughout the research process (Dubois & Gade, 2002). In addition, Eisenhardt (1989 in Dubois & Gade, 2002, p. 556) argues that systematically combining theory with reality allows the researcher to address the overlap between data collection and analysis by grounding the case study in theory. Abductive reasoning helped integrate the researcher's academic and professional involvement in UNOPS with a theoretical model, strengthening the research's case study strategy (Yin, 2009). This involvement and the UNOPS case study as a whole are discussed further in Chapter 4.

## **5.2 Research Strategy - Case Study**

The researcher had no control over the different work contexts and experiences shared by the interview participants (Yin, 2009, p.8). A case study strategy was deemed appropriate to answer the research questions. A quantifiable approach like a survey could have been used in lieu of a case study. Both strategies share similar research justifications and can be used to explore a topic (Yin, 2009). Yet, surveys do not clearly account for what drives and shapes participant views (Matthews & Ross, 2010).

Furthermore, Yin (2009, p. 18) notes that a case study “*cope with technically distinctive situation (...) relies on multiple sources of evidence (...) and benefits from the prior development of theoretical propositions to guide data collection and analysis.*” Accordingly, the research has developed a theoretical framework, which integrates several internal communication and climate dimensions linked to a particular organization. In addition, the research relies on multiple data sources.

## **5.3 Data Collection**

### **5.3.1 Semi-Structured Interviews – Sampling & Process**

This study used 12 semi-structured interviews as the main data source. These were conducted with UNOPS personnel between January 2016 and May 2016. The interviews were designed and conducted according to Matthews & Ross (2010, p. 221), using three characteristics of semi-structured interviews:

- *Follow a common set of topics or questions for each interview*
- *May introduce the topics or questions in different ways or orders as appropriate for each interview*
- *Allow the participant to answer the questions or discuss the topic in their own way using their own words.*

Key questions/topics were developed and written down to keep the data focused on areas of discussion. This ensured insights could be developed during the allocated time while covering all aspects of the research problem. Questions were generally introduced in the same order, using similar wording with some variations allowed to keep exchanges informal and fluid (Matthews and Ross, 2010). The researcher was present and personally conducted, recorded and transcribed all the interviews in this study. Interviews were transcribed verbatim (when possible) to maintain the personal aspects in their entirety. The interviews lasted from 32 to 68 minutes.

The sample selection for the interview participants was purposive and driven by three key aspects:

#### **I. Researcher Knowledge & Access**

Fifteen interview requests to UNOPS HQ and field colleagues were sent out. The level of professional relationship varied between individuals and the researcher, from exchanging occasional work emails to regular collaborations. Two people declined citing lack of time. One person never answered. The researcher interviewed the 12 that responded to the request from 8 different UNOPS offices.

At 80%, the interview response rate is considered positive for the purpose of this research.

## II. Organizational Context of Participants

The choice of location was driven by the national development context in which each participant works, shown below in table 1:

**Table 1 Data sample by geographical location, socio economic & technological indicators**

<b>Country</b>	<b>Human Development Index*</b>	<b>Internet Users %*</b>	<b>Mobile Phone Subscriptions %*</b>	<b>Main Language(s) in Office</b>
<b>Denmark</b>	0.933	96	126	English
<b>DR Congo</b>	0.433	3	53	French
<b>Haiti</b>	0.483	11.4	64.7	French
<b>Kenya</b>	0.543	43.4	73.8	English
<b>Kosovo**</b>	0.714	n/a	n/a	English
<b>Israel</b>	0.894	71.5	121.5	English
<b>Panama</b>	0.780	44	158.1	Spanish
<b>Switzerland</b>	0.930	87	140.5	English, French

Sources: \*Adapted from UNDP 2015 Human Development Index

\*\* Based on UNDP 2012 Human Development Index

The study used the UNDP's Human Development Index (HDI) to define the local work context of interview participants. The advantage of using the HDI for each country is that it provides a common baseline to ground the study in. Table 2 (below) shows the sample split in UNOPS operational context, between positive and negative levels of human development in which the interview participants worked in.



**Table 2 Data sample by operational contexts and levels of human development**

<b>Level of Human Development*</b>	<b>Number of UNOPS Operational Context</b>
Human Development is positive/high HDI above 0.700	5
Human Development is negative/low HDI below 0.550	3

Source: \*Adapted from UNDP 2015 Human Development Index

A positive national development index means the HDI is above 0.700, while a negative one means the national index is below .0550. Some of the countries were close to the medium range of HDI (between 0.550 and .700) such as Kenya (0.543) and Kosovo (0.714). It should be noted that the available HDI data for Kosovo is from 2012 as no other data sets were available.

In addition to the human development index, the contextual choice of sample was also driven by the general organizational function. Accordingly, table 3 (below) shows a balance between cost and revenue centres (see section 6.4).

**Table 3 Sample selection ratio of revenue vs. non-revenue centres**

<b>Organizational Function</b>	<b>Number of Sample N</b>
Revenue Centre	7
Non-Revenue Centre	5

Source: Own representation

Overall, the sample of operational locations between interview participants is considered appropriate for the study. It includes a 60/40 ratio between UNOPS revenue and non-revenue centres. Further discussions related to what constitutes revenue vs. a non-revenue centre can be found in the chapter 6. The study also has a mix between positive and negative national development indexes.

### III. Participants' role & experience with the organization

Table 4 (below) shows the mix of functional roles ranging from administrative support and communication to business development, project/programme management and senior management.

**Table 4 Interview participants, functional area & number of years with UNOPS**

Participant	Functional Role	Abbreviation	N Years in UNOPS
1	Communication	COM	3
2	Project Manager	PM	2
3	Programme Manager	PGM	3
4	Project Manager	PM	4
5	Business Development	BD	7
6	Support/Administration	SA	3
7	Programme Manager	PGM	7
8	Business Development	BD	6
9	Programme Manager	PM	5
10	Communication	COM	3
11	Senior Manager	SM	8
12	Senior Manager	SM	1

Source: Own representation

#### 5.3.2 Participant Observation

The researcher was a participant observer as his role was overt and known to work colleagues (Matthews & Ross, 2010, p. 257-8). In addition, the researcher was contracted to work (see 6.9) by the organization and therefore participated in the communication landscape being studied (Yin, 2009). One of the key issues of using participant observations is the potential influence of the researcher on the behaviour of participants (Albarran et al., 2006; Matthews & Ross, 2010 p. 259). In most cases, the researcher's daily presence actually allowed participants to share insights with a deeper degree of trust and honesty. However, it is difficult to

assess the extent to which the researcher's professional role may have influenced some participants' answers (Yin, 2009).

Nonetheless participant observations benefited this research by providing additional rich insights into the informal aspects of the organization (Albarran, Chan-Olmsted & Wirth, 2006, p 551). In line with Yin's (2009) case study strategy protocol, a structured study diary was kept during the initial six-month period as an intern from May 2014 to December 2014. This first step provided the researcher with a basis for potential themes to be developed for the framework. From December 2014 to May 2016, observations and reflections were kept using unstructured notes that allowed the researcher to integrate his perspective related to the themes identified and certain key events (Albarran et al., 2006; Matthews & Ross, 2010).

### 5.3.3 Organizational Documents

Finally, organizational documents were used to outline the case study's structure, policies and some of the characteristics linked to localised operational contexts with greater clarity (Matthews & Ross, 2010).

**Table 5 Internal and external document types used in case study<sup>1</sup>**

Internal UNOPS Document Type	External Document Types
<ul style="list-style-type: none"> <li>▪ Organizational Directives</li> <li>▪ Administrative Instructions</li> <li>▪ Financial Statements</li> <li>▪ Annual &amp; Audit Reports</li> <li>▪ Organograms</li> <li>▪ Internal Personnel Survey</li> </ul>	<ul style="list-style-type: none"> <li>▪ UNOPS Website</li> <li>▪ UNDP Website</li> <li>▪ UN Year Book 2003</li> <li>▪ The World Bank Website</li> </ul>

Source: Own representation

To view the full list of internal and external documents mentioned in Table 5 above, please refer to References at the end of the thesis.

<sup>1</sup> The use of all internal UNOPS material and documents referenced in this study is compliant and in line with UNOPS 2012 Information Disclosure Policy OD 30 (rev 1).

**Table 6 Summary of data collection methods used in the study**

Method	Use	Outcome
<b>Semi Structured Interviews</b>	12 interviews conducted face to face or via Skype	Enabled broad range of organizational insights from different roles and organizational contexts
<b>Participant Observations</b>	Structured and unstructured observations and notes	Enabled research to integrate employee role of researcher into study, track potential bias and enrich analysis
<b>Documents &amp; Presentations</b>	Collection of key internal UNOPS materials and external documents	Enabled complimentary formal sources of information on case study

Source: Own representation

#### **5.4 Data Analysis – Qualitative Thematic & Content Analyses**

Taking a qualitative approach provided key advantages for this study. It enabled the research to explore both formal and informal organizational aspects of the work climates and their impact on communication interactions (Yin, 2009; Matthews & Ross, 2010). A qualitative approach enabled the research to look at parts of the organization more openly rather than focus on quantifiable data sets (Taylor & Trujillo, 2001; Matthews & Ross, 2010).

The research relied on both thematic and content analysis to deal with the different data sources. Thematic analysis is the most common form of data organization and analysis in qualitative research (Matthews & Ross, 2010). The process involves categorizing and analysing either predefined categories from a framework or emerging themes from the data collection (Gade & Dubois, 2002). Thematic analysis was used to analyse the interviews and integrate the researcher's observations.

Table 7 (below) shows the key themes and subthemes that were used to analyse the interview data:

**Table 7 Themes & subthemes used in the data analysis**

<b>Themes (Code Groups)</b>	<b>Sub Themes (Codes)</b>
<b>Leadership</b>	<ul style="list-style-type: none"><li>▪ Local</li><li>▪ Global</li></ul>
<b>Policies &amp; Practices</b>	<ul style="list-style-type: none"><li>▪ HR management practices</li><li>▪ Pricing policy</li></ul>
<b>Structure</b>	<ul style="list-style-type: none"><li>▪ Roles &amp; Responsibilities</li><li>▪ Organizational distance</li></ul>
<b>Channels</b>	<ul style="list-style-type: none"><li>▪ ICT differences</li></ul>
<b>Effective Internal Communication</b>	<ul style="list-style-type: none"><li>▪ Relevance</li><li>▪ Clarity</li><li>▪ Sincerity</li><li>▪ Credibility</li><li>▪ Reciprocity</li></ul>

Source: Own representation

Accordingly, all interviews were manually coded with ATLAS.ti. The study used the conceptual model themes as a basis for code groups. As the analysis progressed, interrelationships and areas of overlap manifested themselves between sub themes (Gade & Dubois, 2002; Yin, 2009). The analysis revealed one the themes as being less influential than the theoretical framework had originally suggested.

To protect the identities of the personnel interviewed and their quotes, an additional set of coding was used for interview identifiers. The codes were used for the initial data organization and are present throughout the subsequent findings chapter. The nomenclature identifies interview participants' organizational function, development context, functional role and number of years working for UNOPS. Table 8 shows the nomenclature used while Table 9 provides the interview identifiers used throughout the analysis and the findings in chapter 7.

**Table 8 Interview coding nomenclature**

<b>Organizational Function</b>	<b>National Context</b>	<b>Functional Role</b>	<b>Years in UNOPS</b>
NRC = Non Revenue Centre	DIP = Development Index Positive	SA = Support/Administration COM = Communication BD = Business Development	
RC = Revenue Centre	DIN = Development Index Negative	PM = Project Management PGM = Program Management SM = Senior Management	

Source: Own representation

**Table 9 Interview identifiers with number of years with UNOPS**

<b>Interview #</b>	<b>Interview Identifier</b>
1	NRC/DIP/COM/3
2	RC/DIN/PM/2
3	NRC/DIP/PGM/3
4	RC/DIN/PM/4
5	NRC/DIP/BD/7
6	RC/DIP/SA/3
7	RC/DIP/PGM/7
8	RC/DIN/BD/6
9	NRC/DIP/PGM/5
10	RC/DIP/ COM/3
11	RC/DIP/SM/8
12	NRC/DIP/SM/1

Source: Own representation

The study also conducted a content analysis. Content analysis is usually applied to “*textual data*” and seeks to discover patterns in data to support the understanding of a topic or phenomenon (Matthews & Ross, 2010 p. 395).

Content analysis was applied mainly for analysing internal and external documents outlining UNOPS' structure, business environment, financial health and HR landscape in relation to the themes developed.

## **5.5 Research Quality**

The research's quality is assessed alongside three quality criteria as discussed by Matthews & Ross (2010, p. 115), namely *validity*, *reliability* and *generalizability*.

**Validity/Credibility** refers to the appropriate choice of data sample and subsequent interpretation of the findings. It is concerned with ensuring the data is representative of the phenomena being studied (Matthews & Ross, 2010). Shenton (2004) and Yin (2009) suggest several ways to ensure the study is credible including the use of established data collection methods and analytical processes for similar research. Accordingly, the study was grounded in a number of theories, which drove the data collection and subsequent thematic analysis in line with abductive reasoning and the exploratory nature of the research.

The researcher also made a conscious effort to minimize the use of any wording/comments that could lead participant answers. Transcripts include notes that identify instances where the researcher may have led part of the answer. All interviews were recorded and faithfully transcribed using the participants' words (Matthews & Ross, 2010) and the transcripts were systematically stored in a database (Yin, 2009).

In addition, a triangulation of data methods was used to strengthen the validity of research findings by looking for converging relations between themes from different data sources (Yin, 2009). Furthermore, the study consciously sought different sources by interviewing individuals from all organizational levels to provide a richer set of perspectives (Shenton, 2004).

The most challenging aspect linked to this study's credibility stems from the researcher's role as a contractor and the potential for bias throughout the research (Yin, 2009). This has been acknowledged amply in terms of sampling

choices for the interview participants as well as integrating participant observations into the analysis as a distinct data source. In addition, the researcher's professional role/expertise linked to the research has been included at the end of the case study. This not only ensures transparency but also demonstrates the relevance of the researcher's insights as a participatory observer (Shenton, 2004).

Finally, the researcher's status as a contractor also meant he was free to conduct the study as described. The study benefited from an in-depth access to people with honest and detailed answers on more sensitive aspects including *management leadership* and internal politics.

***Reliability/Dependability*** refers to how replicable the findings could be if other researchers used the same research methods (Matthews & Ross, 2010, p. 11). As is noted earlier, the study is qualitative and explores a social phenomenon that is ever-changing and linked to individual perspectives (Gade & Dubois, 2002; Shenton, 2004). It would be impossible to expect an exact replication of people's thoughts, words and behaviours.

The study addresses potential reliability issues in different ways. First, the research outlines its approach, process and implementation in a detailed manner (Shenton, 2004; Matthews & Ross, 2010). Additionally, interviews were recorded and verbatim transcripts are available for others to access (Matthews & Ross, 2010). Second, the study is also transparent in its methodology (Yin, 2009). The researcher acknowledges potential bias linked to his professional role and knowledge of the organization.

***Generalizability/Transferability*** refers to how applicable or relevant the findings of the research are with regards to another organization, context or time (Shenton, 2004; Matthews & Ross, 2010 pp. 12-13). The study took a qualitative, exploratory approach to internal communication within an international organization. As such, transferability of the findings is limited for a number of reasons.



First, the research focused on eight different office locations due to limited resources. The sample selection was purposively driven by the researcher's knowledge, professional network and access (Matthews & Ross, 2010). In addition, the UNOPS business model is unlike any other organization within the UN system. It is a combination of both not-for-profit and full cost recovery models.

Nonetheless, the findings have some degree of transferability. The study clearly outlines the context and boundaries of the research, enabling potential comparisons, if limited (Shenton, 2004). The findings provide a “*baseline understanding*” with regards to future internal communication research within international organizations (Gross 1998 in Shenton, 2004, p. 71). The study also offers insights into the role of management leadership and effective internal communication within international organizations.

## **5.6 Ethics**

The research adhered to the following ethical principles based on Matthews & Ross (2010):

**Ethical approval** The researcher sought approval for the use of UNOPS as a case study from his former director, Henrik Linders in January 2015. Second, UNOPS Director for the Communications and Partnerships Group, Jon Lidén, was notified in April 2016 of this thesis project. The use of UNOPS 2016 People Survey results was sought and granted from UNOPS CPG in July 2016. Finally, the use of all internal UNOPS documents, including policies and reports, conforms to the UNOPS 2012 Information Disclosure Policy (OD 30).

**Informed consent** All interview participants consented to being interviewed of their free accord. Contentment was requested again and recorded at the beginning each interview. Information regarding the research's aim and interview participants' role as data sources for this purpose was provided in the interview request message. Interview participants were also informed that they were free to answer (or not answer) questions at the start of the interview. Participants

were informed of the confidentiality and use of their answers for the purpose of this research.

**Confidentiality** The research carefully ensured that all participants' answers were treated confidentially. As such, the study uses a coded nomenclature for interview identifiers throughout the analysis. In addition, participants were informed of the confidentiality of their answers. References to specific locations, relationships or situations, which could have compromised the anonymity of the employee, were purposely omitted from quotes. Finally, all recordings of the interviews have been safely stored on an encrypted device and lies solely in the possession of the researcher.

**Cultural considerations** The study included participants from different cultural backgrounds. This was a critical aspect of the research given the case study itself is an organization that has a multicultural workforce. While some of the wording used in the questions had to be explained to some, most interview participants understood the meaning of the questions and responded accordingly. Finally, no additional cultural considerations were needed.

## **6.0 THE CASE STUDY – UNOPS**

*This section introduces the research's case study, UNOPS. First, the organization's mission, values and services are discussed. Second, its financial performance, structure, operational environment(s) and business model are outlined. Third, the organization's human resource landscape and communication channels are detailed. The section concludes with an explanation of the researcher's professional role as a UNOPS contractor during the period of this study.*

### **6.1 Overview**

The United Nations Office for Project Services (UNOPS) is mandated as an operational arm of the United Nations (UNOPS, 2016). It implements peace building, humanitarian and development projects on behalf of its partners and clients around the world (UNOPS, 2016). UNOPS was founded in 1973 and was then part of the United Nations Development Program (UNDP, 2016). In 1995, UNOPS became fully independent and self-funded. This means that while UNOPS is a not-for-profit organization, its operations are financed by the projects implemented and not by donor funds.

By 2003, economic and political conditions had greatly reduced the amount of project revenues coming from UNDP, UNOPS's main client at the time. A UN Board report notes, “(...) *despite the anticipated upturn in revenue in late 2003, current business projections for 2004 fell far short of levels needed to sustain the financial viability of UNOPS* (UNYB, 2003, p. 908).”

By the mid 2000s, UNOPS's survival was at stake. In addition to its financial viability, allegations of embezzlement and gross fund mismanagement plagued the organization (Moore & Platt, 2013). In 2006, UNOPS brought in new executive management, which helped steer UNOPS' finances back to good health (UNOPS, 2016). Since then, UNOPS has continued to grow and diversify

its portfolio. To date, 2015 was a record year for UNOPS, delivering an estimated 1.4 billion USD worth in projects.

## 6.2 Mission Statement, Values & Core Service Lines

UNOPS (2016) mission statement is:

*“To serve people in need by expanding the ability of the United Nations, governments and other partners to manage projects, infrastructure and procurement in a sustainable and efficient manner.”*

UNOPS values are grounded in the United Nations’ Charter and legislative mandates of the General Assembly (2016):

- National ownership and capacity
- Accountability for results and transparency
- Partnerships and coordination
- Excellence

UNOPS has three core services: infrastructure, procurement, and project management. These are discussed in turn below.

### I. Infrastructure

UNOPS delivers infrastructure projects in post-conflict/disaster environments (UNOPS, 2016). Its infrastructure portfolio falls into the following broad infrastructure sectors:

**Table 10 UNOPS infrastructure sectors, experience & output examples**

UNOPS Infrastructure Sectors	Output examples
<b>Buildings</b>	Schools, hospitals, health clinics, prisons, courthouses, warehouses, market places
<b>Transport</b>	Roads (dirt & paved), bridges (traffic & pedestrian), culverts, airports, railways
<b>Energy</b>	Solar panels, small hydropower dams, power distribution networks
<b>Water &amp; Wastewater</b>	Drainage systems, reservoirs, distribution networks, purification plants
<b>Solid Waste</b>	Landfills, recycling centres

Source: Own representation

In addition, UNOPS (2016) provides services throughout the five project stages including Feasibility, Engagement, Design & Planning, Construction and Operations & Maintenance. UNOPS has also developed its own Health & Safety, Environment and Quality management systems. In addition, it produces technical guidance materials, including the UNOPS Design & Planning Manuals for Buildings and Transport Infrastructure.

## **II. Procurement**

UNOPS has developed a large network of suppliers, which provides the organization with substantial purchasing power through economies of scale (UNOPS, 2016). Since 2010, UNOPS manages a substantial online procurement catalogue, UN Web Buy, which facilitates access to pre-screened external suppliers, in accordance with UN regulations (UNOPS, 2016).

Accordingly, UNOPS reviews each of its suppliers' overall quality, systems and organization as well as their adherence to ethical standards, their capacity and financial health (UNOPS, 2016). In addition, the organization has long-term agreements (LTAs), which facilitate its global purchasing activities and the rapid deployment of goods in dozens of countries. UNOPS procurement services include:

- Sourcing and supplier engagement
- Preparation of solicitation documents
- Order management and transaction processing
- Contract management
- Customs clearance & payment processing
- Logistics & Supplier management

Source: UNOPS, 2016

UNOPS has also developed a Procurement Manual in accordance with UN rules and regulations.

### **III. Project/HR/Grant Management**

UNOPS offers project management (PM) services, from running single project components to entire programmes and portfolios for clients (UNOPS, 2016).

UNOPS PM services include:

- Assessments
- Advice
- Management
- Office Set up

More importantly, UNOPS provides substantial HR and grant management services, which fall under its PM services. These administrative and financial services accounted for roughly 40% of UNOPS total project delivery figures in 2015 (UNOPS Annual report, 2016, p. 4). UNOPS has developed a number of PM toolkits and management systems based on PMI and PRINCE 2 methodologies (UNOPS, 2016). In addition, UNOPS provides substantive partner training in project management methodologies.

### **6.3 Business Model & Pricing Policy**

UNOPS is a project-based organization. It has a unique business model. It operates on a not-for-profit basis in line with UN regulations. It is allowed to generate revenues but is required to redistribute its profits either as savings to partners or towards the improvement of its services. However, UNOPS pricing policy, accrued financial reserves (100 million USD as of December 31st, 2015) and its redistribution of surpluses suggest the organization's revenue neutral status is somewhat ambiguous. As such, UNOPS defines not-for-profit organizations (UNOPS OD 3, 2012, p. 16) as *"associations, charities, cooperatives, and other voluntary organizations formed to further cultural, educational, religious, professional, or public service objectives"*.

While UNOPS HQ in Denmark was built and is subsidized by the Danish government, it is the only UN entity that is not directly dependent on donor funding or political commitments to operate. This means that the UNOPS

business model requires fewer clearances for projects and funding approvals, making it remarkably flexible and independent compared to other UN entities.

Moreover, UNOPS operates its projects on a full-cost recovery policy from its projects. It defines cost recovery (UNOPS OD 3, 2012, p. 8) as “*the business model whereby an entity has to ensure that its revenue is sufficient to cover its costs*”. UNOPS pricing policy relies on direct and indirect costing mechanisms. As such, UNOPS defines direct costs (UNOPS OD 3, 2012, p. 9) as “*incurred for the benefit of a particular project or client and can be clearly documented*”.

The organization recovers direct costs (UNOPS AI/FG/2016/01, 2016, p. 2) in two ways: *Locally managed direct costs* (LMDCs), which cover direct project expenses and direct costs for local support at the country level and *Centrally managed direct costs* (CMDs), which cover direct project costs for shared services between projects from regional, practice and corporate support (sitting in HQ).

In addition to direct cost recovery mechanisms, UNOPS charges a management fee through indirect costs. As such, it defines indirect costs (UNOPS OD 3, 2012, p. 11) as “*incurred by the management and administration of the organization in furtherance of UNOPS activities and policies*”. The management fee contributes to UNOPS financial reserves. In addition, the fee covers corporate overhead including HQ support functions that are not directly associated to projects as well as risk mitigation reserves in case of project failures. The management fee is also meant to fund strategic and innovative initiatives related to improving UNOPS operations.

## **6.4 Structure**

UNOPS structure is decentralised, with a headquarters based in Copenhagen, Denmark and business units spread across 80 countries (UNOPS, 2016). Each country office falls under distinct regional hierarchies (see Annex I). Accordingly, UNOPS HQ houses the Executive Office including UNOPS ED, Ms Grete Faremo and UNOPS Deputy ED, Mr Vitaly Vanshelboim. Moreover, Mr

Vanshelboim also acts as UNOPS Chief of Operations (COO) and Chief Financial Officer (CFO). This suggests that most of UNOPS corporate decisions go through him. In addition, UNOPS HQ also houses the organization's legal, financial and technical operational support groups. UNOPS global structure can be defined in terms of revenue and non-revenue centres.

#### **6.4.1 Non Revenue Centres**

The headquarters serves as the overall corporate function for UNOPS global activities. It is comprised of cost centres. For the sake of clarity, it is considered as a non-revenue centre in this study. Accordingly, UNOPS defines a cost centre (UNOPS OD 3, 2012, p. 8) as *“a business unit, which as decided by the Executive Director, incurs costs annually up to the authorized spending limit”*. Although some units, including the Procurement Group, also generate revenues, they are considered cost centres, as their operations do not fully cover their costs and operational reserves.

UNOPS Executive Office and the following groups reside at headquarters in Copenhagen, Denmark:

- Communications & Partnerships
- Project Management & Infrastructure
- Procurement
- Finance
- HR
- Contract and property review
- Legal
- General Administration
- ICT
- Security
- Internal Audit & Ethics

Source: UNOPS, 2016

#### **6.4.2 Revenue Centres**

UNOPS defines a revenue centre (UNOPS OD 3, 2012, p. 16) as *“a business unit, which as decided by the Executive Director, contributes to UNOPS operational reserves by generating revenue and covering its costs”*. UNOPS



revenue centres are located around the world. Larger revenue centres, called hubs, manage more than one geographic area. As such, hubs can oversee several operations centres and country offices.

Table 11 below shows the characteristics of hubs, operations centres, project centres and clusters:

**Table 11 UNOPS revenue centre classifications (in USD)**

<b>Business Unit/Criteria</b>	<b>Operational Hub</b>	<b>Operations Centre</b>	<b>Project Centre</b>	<b>Cluster</b>
<b>Net entity revenue target</b>	1,200,000	1,000,000	200,000	500,000
<b>Delivery target</b>	25,000,000	25,000,000	5,000,000	12,500,000
<b># Of projects</b>	More than one	More than one	More than one	More than one
<b>Portfolio by</b>	Geography	Geography	Geography	Partner/Product/Service
<b>Delivery focus</b>	More than one country/territory	One country/territory	One country/territory	One or more partners and/or specialized products/service

Source: Adapted from UNOPS OD15, addendum 2, 2015

Revenue centres are normally managed by a director and supported by a programme manager. Larger centres can have a deputy director as well as support heads and office managers. Within a country office, the project manager is responsible for the implementation and delivery of one or more project(s). As such, the project manager is an important figure as he/she is responsible for handling a number of stakeholders and functions. These include dealing with local suppliers, overseeing project team leaders and engineers. Other project manager functions include business development. The project manager reports to the programme manager and/or to the office director.

As offices are project-based, reporting lines vary and hierarchies change frequently. Accordingly, titles, roles and responsibilities usually delineate reporting lines. These vary between regions and offices depending on the size of the portfolio and revenues. A typical country office has a director, programme support and management personnel as well as project manager(s) and technical personnel.

Finally, UNOPS country offices fall under distinct regional head offices: The Asia offices; the Europe and Central Asia region; The Africa region; The Latin America and Caribbean region; the Middle East region (see Annex I). The regional offices mainly serve as administrative and executive bodies for their respective country hubs, centres and clusters. More importantly, regional offices oversee business development for global portfolios.

## **6.5 Business Environment(s)**

Within the international development world, UNOPS added value is linked to its economies of scale, legal status as well as its ability to manage and implement projects in challenging environments (Porter, 1985; UNOPS, 2016). These include post conflict/disaster and developing contexts.

UNOPS's main competitors include UN entities like UNDP and WFP. Accordingly, UNOPS has a distinct advantage compared to other UN organizations. UNOPS internal structure requires fewer clearances and authorizations, allowing UNOPS field offices to operate with greater efficiency and flexibility. In terms of private sector competition, UNOPS enjoys a unique legal and tax-free status, which gives it a distinct competitive advantage over private consultancies in terms of political access and setting prices (Porter, 1985).

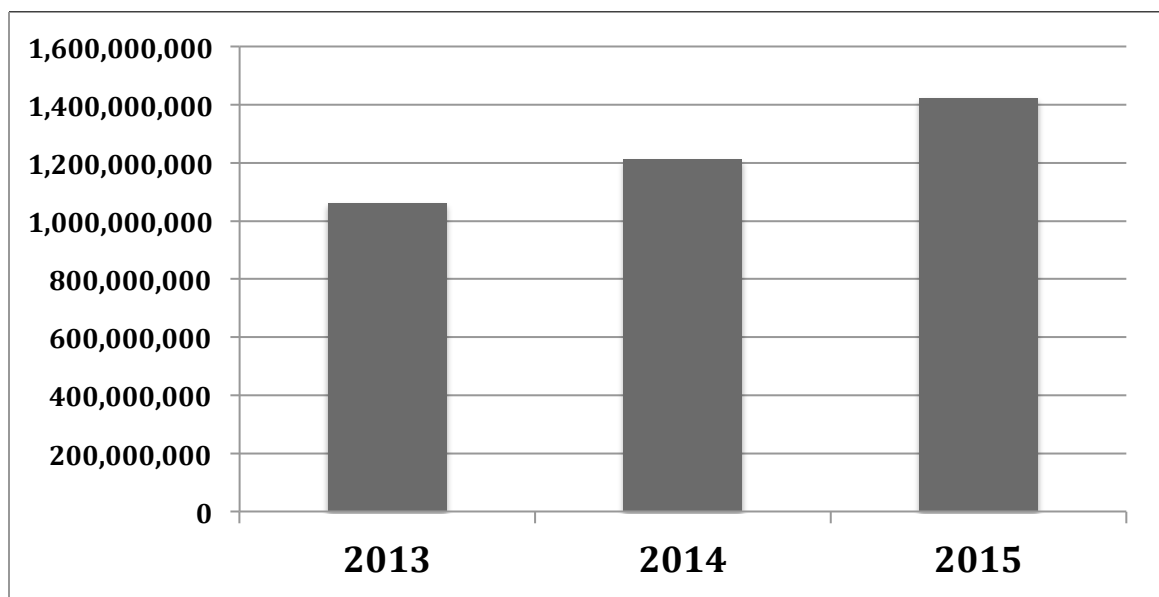
In addition, UNOPS is currently establishing itself as a technical thought leader in the area of infrastructure within international development. Accordingly, it has a number of technical documents and infrastructure management systems. These integrate social, environmental and economic sustainability themes into UNOPS

projects, which are increasingly linked to partner requirements for business acquisition. Organizations like the World Bank require a number of project outcomes linked to their project awards and funding. At the project level, these requirements often include developing national capacity by employing local workers, promoting gender equity, sustainable environment practices and government ownership (World Bank, 2016). Given its mandate and goals, UNOPS is in a strong position to satisfy these project requirements.

## 6.6 Financial Health & Partnerships

UNOPS continued to enjoy sustained growth throughout 2015 with a record delivery worth 1.4 billion USD, an 18% increase from 2014 (UNOPS 2015 Annual Report, 2016). Its retained earnings increased by 44%, from \$9.9 million to \$14.3 million USD. This can be partly attributed to increased business delivery and personnel restructuring during 2015.

**Figure 4 UNOPS end-of-year total delivery trend (in USD)**



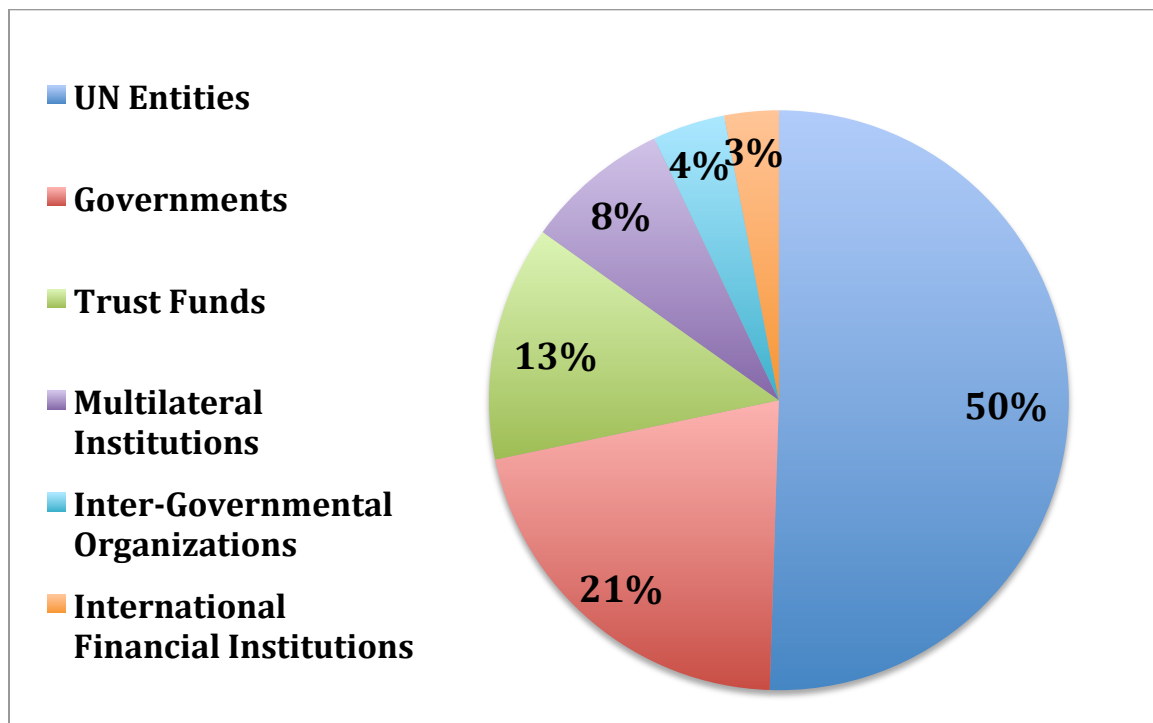
Source: Adapted from UNOPS 2014 & 2015 Annual Reports of the ED, 2015 & 2016

Figure 4 above shows UNOPS has sustained a positive increase in delivery revenues over the last 3 years of operations. UNOPS 2016 annual report also suggests the organization's sustained growth will likely continue in 2016-17.

Signed agreements between UNOPS and its partners stood at \$1.6 billion USD by the end of 2015, exceeding the annual target as well as the previous year's total of \$1.3 billion USD (UNOPS 2015 Annual Report of the ED, 2016).

As of January 1<sup>st</sup> 2016, UNOPS total operational reserves stood at roughly \$100 million USD, an increase from \$78.5 million USD a year before (UNOPS 2015 Annual Report of the ED, 2016). By comparison, UNOPS reserves at the end of 2014 were four times greater than the minimum operational requirements. Present numbers suggest UNOPS is financially healthy as a result of sustained growth and sound financial management. However, UNOPS's pricing policy, including management fees, have resulted in substantial accrued reserves. Given UNOPS not-for-profit status, the transparency surrounding the redistribution of UNOPS profits constitutes a grey area for the organization's reputation vis-à-vis country offices, partners and future project fees.

**Figure 5 UNOPS main partnerships in 2015**



Source: Adapted from UNOPS 2015 Annual Report of the ED, 2016

Figure 5 above illustrates UNOPS main partners for 2015 by the amount of generated revenues. Accordingly, 50% of UNOPS delivery was on behalf of United Nations system entities such as UNMAS, UNDP and UNHCR. The second most important partnerships were governments, including the United States, Canada and Japan. In addition, UNOPS also provided substantial financial management services to multi-donor funds including the Three Millennium Development Goals Fund and the Stop TB Partnership fund. Other key partnerships included The World Bank and the European Union (UNOPS 2015 Annual Report of the ED, 2016).

## 6.7 UNOPS Human Resources

As a result of its project-based operations and business model, UNOPS relies on a workforce that is composed predominantly (81% in 2015) of temporary (1 year or less) independent, individual contractors (UNOPS 2015 Annual Report of the ED, 2016). Individual contractors are not considered to be staff of the United Nations with an explicit contractual provision that *“no employee-employer relationship shall be deemed to exist between UNOPS and the contractor”* (UNOPS OD 21, 2014, p. 6). In addition, UNOPS also manages a number of contracted personnel on behalf of its partners.

**Table 12 UNOPS personnel categories and numbers (31 December 2015)**

<b>Contract modality</b>	<b>Staff</b>	<b>International Contractors</b>	<b>Local Contractors</b>	<b>Total</b>
<b>UNOPS personnel</b>	863	694	3004	4561
<b>Partner personnel</b>	0	343	4948	5291
<b>Total workforce</b>	863	1037	7952	9852

Source: Adapted from UNOPS 2015 Annual Report of the ED, 2016

Table 12 above shows personnel categories linked to the different contractual modalities. Although international personnel can also work on a local contract, the majority of people employed on this modality are local hires. Accordingly, the organization operates in 80 countries, with 65% of UNOPS personnel working on

local contracts. This suggests that UNOPS employs a culturally diverse workforce. In addition, UNOPS business model also operates with a national capacity building mandate. As such, the organization employs and sub contracts local partner personnel in projects.

## 6.8 UNOPS Internal Communication Channels

UNOPS has three official languages: English, French and Spanish. As of April 2016, UNOPS had no official internal communication strategy. UNOPS has a broad range of internal communication channels:

**Table 13 UNOPS main communication channels**

Mediated	In Person
<ul style="list-style-type: none"> <li>▪ UNOPS Intranet</li> <li>▪ oneUNOPS (enterprise management system)</li> <li>▪ Emails</li> <li>▪ Skype calls and meetings</li> <li>▪ Webinars and Online Training</li> <li>▪ Phone calls &amp; Fraud Hotline</li> <li>▪ UNOPS Newsletter (online and print)</li> <li>▪ Reports, Briefs, Project Documents (online and print)</li> <li>▪ Factsheets and Case Studies (online and print)</li> <li>▪ Posters (online and print)</li> <li>▪ Technical Guidance and Manuals (online and print)</li> <li>▪ Aide Memoir and Toolkits (online and print)</li> <li>▪ Strategies (online and print)</li> <li>▪ Policies and Directives (online and print)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Meetings and Retreats (person, team, unit, town hall)</li> <li>▪ Staff Council, Ethics Office</li> <li>▪ Trainings and Workshops</li> <li>▪ Missions</li> <li>▪ Project Sites</li> <li>▪ Offices, Hallways, Kitchens, Cafeterias</li> </ul>

Source: Own representation

In 2015, UNOPS launched a new intranet with additional features such as community sites and news feed. More importantly, the intranet revamp was also designed to offer a lighter platform to enable better access to field offices with lower bandwidth capacity. In 2016, UNOPS launched a new enterprise management system, oneUNOPS, which integrates project and personnel management functionalities.

## **6.9 Researcher's Contractual Role at UNOPS**

The researcher was an international contractor with UNOPS from December 2014 to May 2016. Accordingly, he was employed as a liaison officer at UNOPS HQ in Denmark with the Sustainable Infrastructure Practice Group (2014-15) and later for the Infrastructure and Project Management Group following a merger in August/September 2015. Prior to that, the researcher was an internal communication intern from May 2014 to November 2014.

Sitting in an internal communication and technical support function at UNOPS HQ provided the researcher with a unique location and access to the organization. The researcher coordinated internal support requests from UNOPS field offices and oversaw a number of internal communication activities and products. In addition, he regularly engaged with support personnel as well as mid-level managers, project managers and senior directors. Within UNOPS HQ, the researcher also went through changes in executive leadership and two restructuring exercises. This period of uncertainty provided an opportunity to observe the apparent political dynamics and their effects on UNOPS HQ's work climate.

## 7.0 FINDINGS

*The following chapter presents the findings of this thesis. Accordingly, this chapter answers the two research questions regarding the relationship between organizational climate, management leadership and effective internal communication. The findings from 12 semi-structured interviews conducted with UNOPS employees are presented and analyzed in relation to the conceptual model developed in Chapter 4. The findings also use a number of UNOPS organizational documents including UNOPS 2016 People Survey as well as excerpts from the researcher's work diary and observations as part of the analysis.*

### 7.1 The impact of organizational climate on effective internal communication (RQ 1.)

*I think it all comes back to the lack of vision. So you're not all on board you know (...) it's complex. If you're afraid for your job, if your contract is going up, if you think that's okay, if we're too pushy then they won't like us so maybe they'll restructure us and all these kind of things (NRC/DIP/PGM/3)*

Regarding the first research question, the findings confirm that organizational climate directly shapes the degree of communication effectiveness within UNOPS. Moreover, the findings clearly show that leadership is by far the most substantial factor in defining organizational climate for communication effectiveness. The findings support the work of several organizational theorists, including Ostroff et al. (2013) and Bharadwaj (2014), who have linked the role of management leadership in fostering trust with internal communication. Regardless of function or location, 100% of respondents noted the critical role played by management leadership in shaping interactions and internal communication effectiveness across UNOPS. Leadership mostly affected communication in terms of *relevance, clarity, sincerity, credibility* and *reciprocity*.



The thesis suggested differences between local and global leadership likely influenced management priorities and fuelled internal politics. As such, the findings support Dörrenbächer & Geppert's (2011) claims that leadership is diffused and tensions exist between UNOPS subsidiaries and HQ. In addition, the actions of managers set the tone in terms of fostering organizational trust and employee willingness to reciprocate communication as noted by several organizational researchers including Kitchen & Daly (2002), Holloway (2012) and Karanges et al (2014). Findings further reinforce the link between management leadership and organizational trust with communication *credibility* and *reciprocity*:

*(...) The most crucial thing to build credibility is "walk the talk." And I know it's a cliché but it's true. If you say you want something that you need, you also have to start to nurture that culture. And you nurture it also through the politics of what you do. (NRC/DIP/BD/7)*

Additionally, diffused leadership within UNOPS contributed to organizational ambiguity. The majority of interview participants noted a lack of clarity and consistency regarding UNOPS global strategy and leadership, contributing to feelings of ambiguity across the organization. The lack of consistency and clarity were also noted between UNOPS' pricing policy, not-for-profit status and its HR practices. UNOPS HR contractual policies and practices were identified by both HQ and field offices as fuelling uncertainty and people's willingness to share information openly with colleagues.

The findings further highlighted that UNOPS's decentralised structure and frequent organizational changes have contributed to overall feelings of ambiguity among personnel, impacting communication clarity. The organizational distances between people make it hard for UNOPS personnel to keep track of "who does what" and "where", particularly between country offices and HQ support functions. In addition, the perception of roles and responsibilities was particularly

important at the HQ level, where support functions and areas of responsibilities often overlap, creating tensions.

The thesis and conceptual model identified communication *channels* as an important aspect of organizational climate in fostering effective internal communication. The findings show that the importance of ICT channels has not been clearly established in defining an organizational climate for internal communication effectiveness. While 100% of interview participants identified emails, Skype and the telephone as valued channels, none of the participants implied issues linked with communication *relevance* or *clarity*. It was assumed that interview participants working in lower HDI countries (DIN), would identify ICT quality as a significant issue for communication. The findings do not clearly establish this relationship. Accordingly, the findings contradict Kasper-Fuehrer & Ashkanasy's (2001) claims regarding mediated means and communication *relevance*. In addition, no clear consensus was reached regarding the importance of UNOPS intranet as a valued platform. The majority of personnel interviewed highlighted the need for less quantity and more quality in terms of channel use. This includes targeted official email announcements, face-to-face communication such as town hall meetings in country offices and regular coordination meetings between units at HQ.

Finally, it is worth highlighting that the findings show the UNOPS work climate and its cultural values are paradoxical. On the one hand, UNOPS emphasizes its UN organizational values of respect, transparency and openness. Yet, most interactions between HQ employees define a work climate in which communication is limited. One senior programme manager addresses the idea:

*I think part of it has to do with the culture across the whole of the United Nations, and maybe in UNOPS – it's something I never saw in the private sector; at least I didn't feel it when I worked in the private sector. I feel it in the UN system. People seem a bit more insular about how they share and how they communicate.*  
(RC/DIP/PGM/7)

The following sections provide further insights into the four climate themes: UNOPS' leadership; its policies & practices; its structure and its communication channels with regards to their relationship with the thesis' five effective communication criteria.

### **7.1.1 Local Leadership (Country Office/Unit level)**

The study highlights that UNOPS local managers at the country office and unit levels are the gateway between their teams and the rest of the organization. UNOPS directors and senior managers have the strongest influence on the way employees interact and their experience of the organization:

*(...) I think they (directors) are such a resource - they have so much power! (...) If the director says do it, everyone's like OMG yeah. I'll stay until 10 pm, which I think is an interesting thing because it of course means that you can't do much without those directors but it does mean that if you have them, you have everyone" (NRC/DIP/COM/3)*

The study finds that senior managers also influence the degree of alignment between HQ and country offices. In country offices, the willingness to interact between local teams and HQ rests largely on the perceived value of communication by senior leadership at the office level. This implies that HQ initiatives, for instance, need buy-in from local leadership. Three quarters of respondents interviewed highlighted this idea. In the words of an interviewee:

*If your country director, who is saying you know we have to consider HQ because we are working for the same cause and HQ is supportive to us. If he acts like that, it will not be problem for the HQ people (RC/DIP/SA/3)*

These findings support the views espoused by Dörrenbächer & Geppert (2011) regarding the challenges and tensions between an organization's HQ and its subsidiaries. The findings also highlight the importance of Weick's *sensemaking* (1995) in organizations and its impact on the communication climate. Leadership *sensemaking* defines priorities and impacts the perception of trust for the entire team. The findings suggest that local senior managers at the office and unit level

need to trust the executive and senior management at the HQ level to encourage open and reciprocal communication with HQ. This was reinforced by UNOPS 2016 People Survey results.

Accordingly, the perception of trust in UNOPS executive leadership was proportionately lower by management level. UNOPS senior management levels were shown to have, on average, less trust in the executive leadership than lower levels and field office personnel. This was further implied by the PricewaterhouseCoopers (PwC) presentation of UNOPS People Survey results in April 2016:

*(...) Amongst leadership there's actually less alignment on communication and on these key items around communications (trustworthiness and openness).*  
(PwC Spokesperson, UNOPS People Survey presentation, 2016).

The study confirms that leadership and organizational trust are closely linked with Zaremba's (2006) communication *credibility* and Marques' (2010) *sincerity*. People need to trust in their leadership before they lend credence to what is being communicated. The findings further highlight the critical challenge that UNOPS executive office and HQ support functions face in fostering trust and aligning initiatives. The findings clearly show that organizational trust between senior managers and the executive office is low. Given that local leadership, including country directors, has enormous influence over the communication climate, the findings suggest that UNOPS executive leadership needs to address the problem of organizational trust at the local level. One senior programme manager working in a country office noted:

*I remember a hub director who's a D1 (senior director) telling me (...) she/he doesn't even look at communication that comes that way from HQ (...) just deletes it immediately (RC/DIP/PGM/7)*

Furthermore, the findings clearly show that leadership and communication *reciprocity* are entwined. As McPhee & Poole (2001) noted, open two-way communication is only as reciprocal as an employee's willingness to do so. If a

person's manager is open to exchange with the rest of the organization, then people are encouraged to do so and tend to feel more connected. Conversely, if local leadership is not supportive, then internal communication becomes incredibly challenging:

*(...) When I arrived in UNOPS it was like forbidden to contact someone if he's not in your office/network. It was something like you shouldn't do because they will be very angry because they don't know you and you are like a very small, little piece of the project so you don't have to contact them. It was something like strange, maybe because of my boss, my supervisor (RC/DIN/PM/4)*

The study also supports the need for local managers to demonstrate leadership by proactively addressing cultural differences and communication reciprocity, within country offices. Given UNOPS employs a large local workforce in over 80 different countries, local socio-cultural differences were noticeable at the subsidiary level and influenced the perception of communication *reciprocity*:

*You still feel like there is this legacy here, you know the background since I'm the PM no one can say no to what I say, just because I'm the PM. There is no collaboration. (RC/DIN/PM/4)*

*You have a colonial history, that legacy that is negative here. (...) There is this strong, sharp hierarchy that is happening. And I consider this strong discrimination that is happening between internationals and locals (RC/DIN/PM/2)*

The socio-cultural relationship between power and authority described in several UNOPS revenue centres aligns with Hofstede's work (1984 in Stohl, 2001) on culture and organizational behaviour. As such, the findings support the thesis's argument that international organizations develop distinct work climates partly as a result of local socio-cultural dynamics. The study also identifies an opportunity for local UNOPS leadership to improve communication *reciprocity* by directly addressing some of the socio-cultural dynamics in their offices when possible.

Overall, the findings show UNOPS leadership at the local level plays a critical role in defining work climates. This was particularly true in terms of influencing the way personnel interact with other parts of the organization, including HQ/subsidiary relationships. In turn, the perception of communication *credibility* and *reciprocity* were both directly linked to organizational climate and differences in leadership and management levels. As such, the study links local leadership and the perceived global leadership across the organization.

### **7.1.2 Global Leadership (Executive and Senior HQ Level)**

With the 2014 change in UNOPS senior executive leadership and subsequent restructuring at the HQ level, the findings underscore the importance of global leadership as a defining factor in organizational climate. Accordingly, the study shows that global leadership consistency strongly influences the perception of communication *relevance clarity*, *sincerity* and *credibility*. In terms of clarity, the majority of interview participants described UNOPS global vision and priorities as lacking in consistency as a result of frequent changes (see section 7.2). One communications professional sums it up:

*(...) And also, one other thing, stop changing priorities every five minutes; it's very annoying. Like sustainability – whoa! Where that'd go?! Now what is it, something else? (...) Just pick a thing! And resource it and do it properly.*  
(NRC/DIP/COM/3)

As such, over 75% of interview participants voiced similar concerns in terms of organizational direction and their ability to contribute more effectively in their roles. This was especially true for personnel with roles that require greater clarity in terms of strategic direction. The personnel interviewed occupying project management, business development and strategic roles noticed the lack of clarity in terms of global leadership:

*I've been here for four years and I still don't know (...) what is the global strategy, what is the politics for infrastructure for instance? I've been working in infrastructure in UNOPS but I don't know where do we want to go with infrastructure. Shall we develop this or shall we develop the innovation part of the*

*project in infrastructure or shall we do the business as usual like private sector (RC/DIN/PM/4)*

*Are we advisory? Do we do business development? Are we technical thought leaders? (...) What are we? (...) Let's understand what we're meant to be doing before we actually try to do something, because otherwise, we don't know what we're going on about (NRC/DIP/PGM/5)*

Interestingly, the feeling of ambiguity amongst interview participants is somewhat contradictory when compared with UNOPS' 2016 People Survey results (see Figure 6 in 7.2.4). The survey suggests UNOPS mid-ranking and lower-level employees tend to trust in UNOPS global leadership, with the notable exception of HQ personnel. This can be partly explained by the proximity of HQ personnel and the distance of country offices to the executive decision-making process. In addition, most field personnel also perceived their roles had a meaningful impact on the organization's work and mission. Accordingly, roles and outcomes tend to be perceived as clearer in project offices as a result of field personnel's proximity to the actual work done by UNOPS (see section 7.1.3 below).

In contrast, UNOPS 2016 People Survey (p. 14) also shows management seniority negatively impacts trust levels towards UNOPS executive leadership. This may be partly attributed to the number of years senior managers generally have and their own vision of what UNOPS ought to be focusing on. As such, the findings show that personnel interviewed with higher UNOPS tenure/experience were generally more likely to be critical of UNOPS. In addition, UNOPS has undergone a number of restructuring exercises in the last few years, which have fuelled uncertainty and some infighting. This was apparent to personnel with both lower and higher longevity with UNOPS:

*I think there is still uncertainty and it hasn't helped with last year's restructuring around what is really the function and the set of priorities of a number of entities at HQ level. And that has led to, you know, doubts and soul searching internally and yeah, that's reflected in the people's survey, clearly. (NRC/DIP/SM/1)*

*You're much closer in seeing the internal politics than you would in any other position (...) if you are just managing your own project in an operational center, then I'm sure you would see much less of it (RC/DIN/BD/6)*

UNOPS 2016 Personnel Survey also supports similar claims related to UNOPS global leadership at the HQ level. Accordingly, a quarter of UNOPS respondents identified a lack of communication *clarity* related to the decision-making process (UNOPS People Survey Results, 2016, p. 18). These findings confirm that leadership clarity and accountability are linked to fostering a climate for effective internal communication. This further highlights the importance of effective internal communication and international management in fostering a climate of trust, especially during change management and periods of uncertainty.

While UNOPS global leadership regularly emphasizes the need for transparency and participation in the decision-making process, it has not succeeded in communicating it evenly across the organization (see section 7.2 below). This was noted in the researcher's observations in 2015, when the UNOPS executive office and the Finance Group's senior director sent out a poorly detailed pricing directive related to an increase in project charges:

*(...) in April 2015, UNOPS Finance Group sent out a budgetary guidance note to all revenue centres, effectively raising CMDC charges to projects without any justification. As it was already the 2<sup>nd</sup> quarter, this meant dozens of UNOPS country offices would need to go back to clients and change signed agreements. The uproar was instantaneous, with many senior managers calling for a complete review of HQ costs. (Researcher Observations, 2015)*

Given UNOPS substantial financial reserves (see section 6.6), this CMDC example illustrates the ambiguity that exists in terms of UNOPS yearly budgeting allocations and not-for-profit status. It may in part explain why country-level leadership tends to be wary of UNOPS senior and executive leadership at the HQ level. Accordingly, organizational trust was a central dimension linked with



communication *credibility*, *clarity* and *reciprocity*. The findings show that relationship between UNOPS global leadership at the senior HQ level and local leadership at the office/unit level is complex and impacts interactions and the degree of organizational trust. The findings further support the thesis conceptual model and the importance of global leadership in setting a vision and establishing clear priorities. In addition, the study further supports the importance of global leadership being consistent in terms of words and actions. As such, the following section discusses the importance of consistency between policies and practices.

## **7.2 Policies & Practices**

The study shows that UNOPS policies and practices are closely linked to its organizational climate and the perception of employee behaviours. Over 75% of interview participants highlighted the UNOPS business model pricing policy and its HR practices as influencing the organizational climate in terms of communication *credibility*, *clarity* and *reciprocity*. Comments focused on the inconsistencies related to organizational goals with policies and practices. As such, the findings support Zohar's claims (2000, in Schneider et al., 2013) that consistency between policies and practices is essential in defining climate strength. While UNOPS continues to enjoy sustained growth in part as a result of its policies and practices, the study also reveals glaring discrepancies, which have impacted the degree of organizational climate openness.

One of the most surprising aspects of the study was linked to UNOPS management practices and the differences in organizational priorities. For instance, UNOPS is increasingly trying to position itself as an international development-consulting agency. A senior manager relatively new to UNOPS HQ noted a disconnect between long-term positioning, organizational priorities and personnel management:

*This is an organization that executes but also wants to retain expertise, experience and knowledge – and builds itself or sells itself as an organization of*

*expertise like a consultancy. And yet, (...) we're so understaffed compared to any consultancy company or even engineering company (NRC/DIP/SM/1)*

This may be partly explained by the UNOPS business model's continued success. On the basis of delivery numbers and net profits alone, there is little indication that UNOPS has any reason to change. Yet, considering UNOPS has substantial reserve funds, which stand at roughly 100 million USD, one could make the argument to increase funding linked to personnel retention. While there is nothing wrong with cutting costs when there is a need, UNOPS's emphasis on "doing more with less" has stretched its strategic capacity. As such, UNOPS-espoused UN values, HR management practices and its redistribution of funds as a not-for-profit organization seem at odds. In addition, the findings suggest that UNOPS yearly profit redistribution is not clearly translating into substantial funding towards innovation and improving operational quality.

Furthermore, the ambiguity surrounding the use of CMDCs and management fees, which support corporate functions and contribute to UNOPS financial reserves, are often cited as a source of friction between HQ and country office directors. It is worth noting that UNOPS executive leadership has made recent efforts to improve funding transparency and include input into its executive decisions from senior country directors, mainly through its global management meetings (GMM). In addition, UNOPS has increased funding towards senior technical personnel at the strategic and operational levels.

The study also shows that UNOPS pricing policy drives priorities in country offices, including communication initiatives. This was highlighted by communication personnel from both HQ and country offices:

*The pricing model means people are just obsessed with delivery, obsessed, obsessed, obsessed it's all they think about and that's not even their fault, (...) they got targets, they got to meet them they got no time for anything else, no time for town hall, meet targets now, do. (NRC/DIP/COM/3)*

*I think maybe it's not properly understood how useful internal communication is. Maybe it's like I don't know, I'm worried about the delivery or I'm worried about to sign this project or meet a ministry of whatever. But we are working here, we are selling this image of transparency (...) but we don't have transparency inside the organization (RC/DIP/COM/3)*

Financial resourcing is not only essential in UNOPS but it is often perceived as taking precedence over other internal considerations. Given UNOPS full cost recovery business model and its financial past, it is no surprise that money drives most decisions and shapes priorities. Most organizations, including private ones, operate with similar reasoning. Yet, for a United Nations organization, this raises concerns. As such, the findings further highlight the complications that arise as a result of UNOPS not-for-profit status and its business management philosophy.

Accordingly, the findings further support the claims of Ostroff et al. (2013) that HR practices need to be consistent with an organization's values to foster a positive climate for communication and collaboration. UNOPS HR management and contract modalities were identified by over half of interview participants as impacting communication and overall work behaviour among peers:

*This lack of job security – it manifest in how people conduct themselves. (...)*

*The contract modality means everyone is short-term thinking. No one thinks about the future. And then no one shares (...) That has implications in terms of how people treat each other and for how people share information. Why would you share if you have to get ahead of the next guy? You can't (NRC/DIP/COM/3)*

*(...) Sometimes you ask what is my reason to try and improve anything if it won't make any difference because of internal politics or what if I'm leaving in June or I might risk my termination of contract because I speak too much then why would I work on something more sustainable? (RC/DIN/PM/2)*

Moreover, UNOPS project-based activities and contract modalities suggest high turnover rates. UNOPS financial audit report for 2014 (UNOPS A/70/5/Add.1, 2015, pp. 30-1) highlights the challenges faced by the organization in managing international personnel and the project-based nature of its business model:

*(...) the overall turnover rate for international individual contractors was 55% in 2014. Local (national) categories of individual contractors also show high turnover levels (45% for specialist roles) when compared with staff contracts.*

Although these numbers do not distinguish between international personnel leaving at the end of their contracts and resignations, they do highlight an important HR trend for the organization, namely UNOPS's change and knowledge management approaches.

UNOPS international and local technical personnel come and go frequently, which in turn suggests fluctuations in UNOPS technical knowledge bases. The individual contractor agreement (ICA) modality is defined as being used to employ highly technical personnel for projects on a one-off basis:

*When the services require specialized technical, peculiar or unique skills that are not readily available amongst staff members or needed long-term by UNOPS* (UNOPS OD 21, 2014, p. 1)

Yet, the majority of UNOPS personnel, including those that occupy positions needed long-term such as translators and technical advisors, are employed under ICA modalities. In addition, given the high turnover rates among ICA contract holders, UNOPS faces an important challenge in capturing its technical knowledge. This further highlights inconsistencies between UNOPS goal of positioning itself as a major technical organization and its internal practices.

More recent efforts have seen UNOPS establish a number of initiatives, including its partnership information hub (PIH) and communities of practice, to capture and disseminate some of its organizational knowledge. Early in 2016, UNOPS also launched a personnel talent benchmark to address part of the high turnover rates. The initiative aims to identify and retain UNOPS contractors as part of an internal talent pool for a range of functions.

The findings established a strong relationship between policies and practices consistency and defining organizational climate. Policies and practices were also closely linked to leadership and fostering organizational trust. Furthermore, policies and practices were directly linked with impacting communication *clarity* and *reciprocity*. Clarity is further discussed in the next section in terms of geographical distance as well as roles and responsibilities between stakeholders.

### **7.3 Structure**

The findings support the importance of organizational structure as influencing organizational climate in terms of clarity, accountability and trust. Every interview participant identified organizational distance between UNOPS country office operations and headquarters as significantly affecting the perception of their climate. People at HQ generally felt their work climate was politically charged. In addition, most HQ personnel described a lack of clarity and collaboration, even if they were closer to the decision-making process and had more resources to communicate with. Country office and project personnel had much more clarity and purpose amidst the complex demands of the work environment and often limited resources. The findings suggest that structure creates inherent tensions within UNOPS as a result of the proximity/distance between roles and the perception of clarity and accountability.

Accordingly, these contextual differences affected role behaviour. The findings show that differences in role behaviours as discussed by Schmidt & Daniel (in Dörrenbächer & Geppert, 2011) have created accountability discrepancies, further widening the organizational gap between UNOPS HQ and subsidiaries. The findings also reflect Ammeter et al.'s views (2004) that role accountability impacts organizational trust, directly influencing the *relevance*, *clarity*, *credibility* and *reciprocity* of internal communication.

The organizational gap between HQ and country offices was apparent with people interviewed regardless of work context and role. This gap stems mainly from a difference in organizational function and geographical distance. As a non-revenue centre, HQ has a more strategic and administrative role whereas country offices deliver the actual services and generate revenues. HQ also has significant resources while country offices often operate with comparatively modest resources. Finally, the perception of HQ's role and its value to operations varies across the organization, leading to tensions regarding role accountability, trust and credibility. This was noted by a number of interview participants:

*(...) The work plans in HQ for the most part have fake timelines that are self-imposed; they are not taking into consideration the cycles, the needs and some of the constraints at the field level. (NRC/DIP/BD/7)*

*(...) when I was in the field, people were afraid to contact the HQ because they think when you are contacting the HQ, then the problems are increasing. (RC/DIP/SA/3)*

Differences between operational contexts translated into a number of ways, including in peer interactions. Interestingly, the findings show that international personnel working in field offices felt they could ask things of colleagues more openly and honestly than when they were sitting in HQ:

*(...) if you are in a project office, people understand the complexity of the work, they know that the work is very important because ultimately they get paid by the work (...) you don't need to behave diplomatic, you have to go and say straightforwardly what you want. So it's a big difference. (RC/DIP/SA/3)*

*(...) generally in the field you just do it in the meeting and you say what you think and it's all sorted out there and then (...) So it's a different environment and there is something lost in translation sometimes between the two (HQ and field) (RC/DIP/SM/8)*

This difference in work cultures and contexts often translates into communication ambiguity between UNOPS HQ and subsidiaries, widening the organizational gap between entities. In addition, personnel with operational roles cited less time to connect with the rest of the organization:

*(...) it's really challenging trying to do a day job that's operational and trying to keep in touch with all these things that are comin' (RC/DIP/PGM/7)*

This suggests that differences between roles and priorities affect time allocation, further underscoring the need for targeted communication that is *relevant*. As such, the findings in part support Drucker's views that effective communication needs to be relevant to a recipient's work context. Communication needs to be targeted as a result of differences between roles and information needs. The findings also support the conceptual model regarding communication relevance between organizational climates.

The study highlights that country offices tend to have more clarity in terms of roles and responsibilities, as a result of their proximity to UNOPS projects and the need for clarity between roles on the ground. This was acknowledged by both HQ and country level personnel:

*I think there is great clarity as to work and mission and purpose and priorities in countries where you actually execute a project. (NRC/DIP/SM/1)*

*(...) it's much easier at the country office level (...) you have project teams and you're all related, most people are not on an admin budget, they're on a project budget so it becomes much clearer who is doing what. (RC/DIN/BD/6)*

On the other hand, the environment proximity between people and politics was a lot more apparent in terms of work climate at UNOPS HQ. In other words, the closer people were to headquarters, the more acutely aware they were of UNOPS internal politics. For instance, every HQ respondent agreed the organizational climate was politically charged, roles and responsibilities were

ambiguous and caution was observed when coordinating work plans and sharing information:

*(In my former job) Everything I produced, everything I wanted to move forward, I always made sure that I engaged all the stakeholders, I had consultations – I've given that up in this environment completely (...) it's not that there's not people here that couldn't have good insights, but the amount of time and energy you have to put in to get it and then maybe also you give up too much information and then it gets twisted and in the end you get screwed. So you just don't want to take that chance (NRC/DIP/PGM/3)*

The findings further link UNOPS turnover rates with its practices regarding role clarity and trust. UNOPS is an organization that often restructures, partly as a result of its project-based activities. People come and go in the organization. This is reflected in the way communication networks and interactions impact people's organizational knowledge and their ability to connect with others:

*UNOPS really likes change and it changes so fast that it's very difficult to keep track of who's doing what (RC/DIN/BD/6)*

*I would have shared huge databases with people. But because the turnover was so high, like 6 months later, a person was making a presentation, using the data I had provided (to his predecessor) and then they refuse to give me (information) and allow me to see the presentation saying it was confidential data. So I would often have to go to the person and say "are you (...) kidding me?" (NRC/DIP/BD/7)*

As such, the findings support the relationship between effective internal communication and change management leadership (see section 7.2 below).

UNOPS 2016 People Survey (p. 18) shows that 25% of UNOPS employees feel roles and responsibilities are unclear and it impacts productivity. The need to clarify roles and contributions has been an ongoing challenge for UNOPS. Role behaviour at HQ was highlighted in the researcher's learning diary (2014) as a structural and management issue:



*Everyone (at HQ) thinks that they have a crucial role to play but seldom reflect on how their work impacts others in the organization, (...) it is incredibly difficult to manage people's perception of their roles and the actual contributions*

In addition, this lack of clarity was also perceived as increasing organizational overlaps between groups and responsibilities, affecting overall feelings of trust. HQ groups are funded depending on how much value they are perceived to add to UNOPS operations. This was seen by some as a contributing factor for conflicts between people and impacting the degree of communication reciprocity:

*A lot of people feel that their subject area is the one the really needs priority or since it's thoroughly under-resourced, it feels like at least I gotta fight for what I have. I got to really protect this. And that leads to friction. And to a whole set of questions that aren't answered. And I feel that (is what) the organization suffers from. As a result of that, yes there's politics because there's uncertainty.*  
(NRC/DIP/SM/1)

Recent efforts by UNOPS Executive Office have called for a review of HQ functional roles between units and areas of responsibilities:

*It has clearly been recognised that there's a lack of clarity and a lack of accountability and that people are not sure what their roles are. So you step on people's toes. (...) I'm talking about this sort of HQ level, that we're all a bit unsure of our roles – what we're here to achieve. And what boundaries to work in. (...) And then where do you go? – you duplicate, you get angry because someone else is trying to take the thing you're doing and this and that and so it creates this negative working environment.* (NRC/DIP/PGM/3)

As such, the study shows that UNOPS has acknowledged some of its structural challenges related to frequent organizational changes and alignment as well as fostering clarity between roles and responsibilities. In addition, a number of initiatives, including workshops and training opportunities, were perceived as positively raising employee awareness of roles between functions:

*I think we have something like the Project Management foundation (course). It's great. It's amazing because people come to Copenhagen and now more and*

*more it's people that are starting in UNOPS, they get to meet everybody, they see the HQ, they know who's doing what. So I actually think that UNOPS in that sense does a lot to create the network and strengthen it. (RC/DIN/BD/6)*

*They're doing a lot of good stuff (...) their young emerging leaders – it brings people through head office and out of the field and connects people. All that's good. (RC/DIP/SM/8)*

The findings confirm that organizational distance between UNOPS teams negatively impacts the level of awareness between teams, roles and responsibilities. In addition, differences between role behaviours have contributed to a lack of clarity between areas of responsibility, thereby limiting the degree of trust between UNOPS HQ and its subsidiaries. As such, the study shows that structure impacts communication *relevance, clarity, credibility* and *reciprocity*.

## **7.4 Channels**

This study shows that face-to-face communication remains UNOPS personnel's preferred way to communicate. Several interview participants suggested UNOPS should increase opportunities that promote in-person contact when possible. This study also assumed that differences in ICT capacity between UNOPS operational contexts would be one of the core influencers related to internal communication effectiveness, namely in terms of *sufficiency* and *relevance*. This assumption stems partly from previous interviews conducted during Q3 of 2014 as part of the researcher's role to map out internal communication issues. The researcher noted the following in his work diary in 2014:

*(...) varying Internet bandwidth capacities from one country to another, a lack of standardized format for each site page and a lack of focus in terms of the content offered. As a result, most UNOPS personnel do not use the Intranet on a frequent basis. Work is in progress to update the layout to improve the user interface, site navigation and sort the type of content needed and relevancy*

The findings show that mediated communication channels only had a modest impact in terms of climate and internal communication. In addition, channels did not clearly impact the perception of communication *sufficiency* and *relevance* as was assumed. Surprisingly, most personnel working in both positive and negative development contexts did not mention ICT capacity as a driving element in their sense of connection with the rest of the organization. Nearly all interview participants said they relied primarily on Skype calls and emails to do their work, regardless of the national development context. Only a handful of interview participants, mentioned the intranet in terms of their context:

*(...) you very quickly forget how slow the Internet is in some places. People working in Copenhagen with super-fast speed (...) You very quickly forget that and then forget how difficult it is at the other end when you're asked to do everything online (RC/DIP/SM/8)*

*(...) having to enter the intranet and then having to enter the various discussions, to have an answer is not particularly useful – not in that format, not for me anyway” (RC/DIN/PM/4)*

This further suggests that country offices struggle to find the intranet's relevance amidst all the efforts HQ has made to improve its user experience and content offerings. For instance, complete changes in content layout and a lighter intranet site were launched in Q2 of 2015. However, operational priorities, including limited time allocation, prevent a significant number of personnel in the field to get to know the platform's potential.

As suggested by Picard (2011), the study in part finds that ICT capacity/access in low human development index countries (HDI) is linked to management prioritization of resources. For project teams operating in challenging environments, the costs associated with setting up and maintaining adequate ICT infrastructure impacts UNOPS country office budgets. One project manager noted:

*They try to save money, so they choose this bad Internet, (...) Just go to any compound of the mission or any hotel; they have better connection than our office (RC/DIN/PM/2)*

The findings suggest that mediated platforms in support of country office operations should be cost- and time-efficient to be relevant to and prioritised by senior management. Channel *relevance* supports Zaremba's "*pertinence*" (2006) criteria as influencing employee perception of value. As HQ produces most of the intranet content, country offices need to see the value in the platform in relation to their daily operations before they will use it. Emailing, Skype chats and phone calls remain fairly quick and cheap ways of communicating on a daily basis, hence their overwhelming popularity between interview participants. However, all personnel interviewed working in country offices longed for initiatives that could connect them with UNOPS peers and projects in more meaningful ways.

As such, the study revealed an interesting aspect related to UNOPS field office communication platforms. Most county office personnel interviewed identified the importance of creating opportunities that could bring people together to strengthen mutual understanding, communication and employee networks:

*At the office level it should be formulised in some way (...) We should meet at regular intervals and (...) in a more global way (...) at the same time it creates a dynamic that you belong to the organization, you feel like you're not just a small piece of the project, but you are part of something bigger and then it creates connections between people. (RC/DIN/PM/4)*

*I don't think you need more newsletters, more emails more any of that. Bring people together around interesting themes, in which they want to contribute and that gives a sense of direction to the organization (RC/DIP/BD/6)*

The findings outline a fairly cheap and simple way for UNOPS to rethink its platform use, including helping leadership increase its effectiveness. UNOPS already has developed a few initiatives that promote networking. For instance,

UNOPS offers project management workshops, leadership programmes and global meetings that facilitate network building and knowledge sharing:

*Fortunately, I participate in the emergent leader programme. So I had been in contact with many colleagues around the world and also with the participation of the project management course. (RC/DIN/PM/4)*

*I also think that UNOPS, compared to other organizations, does a lot to actually promote the network inside. Having once a year a GMM, I think is great (RC/DIN/BD/6)*

Earlier in 2016, UNOPS provided additional resources to promote ways personnel can collaborate and communicate remotely. These included business development initiatives such as monthly global coordination meetings between the regions and HQ support functions. In addition, UNOPS 2016 People Survey presentation also suggested the organization was aware of the need to address its internal communication issues.

As such, the findings provide evidence that the perception of useful platforms helps define the organizational climate in terms of communication *relevance*. Management priorities can also determine the relevance of platforms in terms of resources. Interview participants highlighted the need for greater clarity. A number of personnel interviewed longed for meaningful ways of sharing experiences and contributing to UNOPS on a more global level. Channels were not directly linked in terms of communication *sufficiency*. Further research would be needed to address the reasons for this. Moreover, as the findings indicate, the thesis' conceptual model needs to be refined as to the *channels* as an organizational climate factor.

## 7.2 The relationship between effective internal communication and leadership (RQ 2.)

*There is also items that came up around communication, specifically how do we have more open two-way dialogue around the organization? And how do we increase connectivity between teams and even between the regions and HQ? (...) communication was one of the things that came up as a priority area to work on (...) from top to bottom. (PwC Spokesperson, UNOPS People Survey Presentation, 2016)*

Regarding the second research question, the findings confirm that effective internal communication (or lack thereof) influences the perception of UNOPS senior and executive leadership and its ability to manage operations on an international level. The study shows that effective internal communication can potentially help bridge the organizational gap between UNOPS HQ and country offices. The findings also demonstrate that organizational trust was linked to honest and open communication. The findings support Thomas et al.'s study (2009), which correlates organizational trust with organizational openness and communication *reciprocity*.

Surprisingly, the study also shows a degree of consistency with Thomas et al.'s (2009) results regarding communication quantity (*sufficiency* in this thesis). As a result, the study did not clearly establish how communication *sufficiency* impacted UNOPS senior and executive managers' ability to lead. Whereas communication quantity has been defined as getting *sufficient* communication, interview participants referred to communication quantity strictly in terms of getting "too much" information and the need for conciseness. This further highlights the idea of communication *relevance*, which with *clarity* impacted the perception of leadership and employee willingness to coordinate regularly. *Clarity* and *sincerity* were particularly important to interview participants in terms of addressing the frequent changes within UNOPS.

The findings further demonstrate that effective internal communication within international project-based organizations can reduce ambiguity and uncertainty, supporting UNOPS' ability to manage change. As such, the study concurs with Kitchen & Daly (2002) and Bharadwaj (2014). Interestingly, the findings do not establish a clear relationship between internal communication and employee engagement within UNOPS. While trust in UNOPS executive and senior leadership was not consistent across the organization and between employee levels, UNOPS enjoys a high degree of employee engagement. This was further confirmed by the 2016 UNOPS People Survey, which shows UNOPS has an overall high engagement index (4.16). The survey also shows that even if there are perceived communication and trust issues, employees believed in UNOPS values and working towards organizational goals:

*(...) Some of these things that are really driving engagement in UNOPS is around collaborations, working together to get the job done, living the values of the organization...*

(PwC Spokesperson, UNOPS People Survey Presentation, 2016)

The findings shed doubt on the link between effective internal communication and positive employee engagement as espoused by a number of studies, including Thomas et al. (2009) and Karanges et al. (2014). UNOPS employees remain committed towards the success of the organization regardless of the internal communication issues highlighted. The discrepancies between the thesis findings and other studies can partly be explained by UNOPS' not-for-profit status. UNOPS contractors are highly engaged regardless of effective internal communication or organizational climate. They believe in UNOPS' work. This relationship is also seen in Karanges et al.'s (2014) study, which correlates engagement with how strongly employees identify themselves with an organization's values. In addition, Holloway (2012) further suggests the link between non-profit organizations and high employee engagement rates. The findings support the need for additional research into effective internal

communication in not-for-profit organizations and employee engagement (Chen et al., 2006).

Finally, the findings demonstrate a need to review the conceptual model and integrate Marques' additional criteria of *sincerity* (2010). Communication *sincerity* was an important aspect of communication quality, especially for global leadership and credibility. In addition, the findings suggest that communication *sufficiency* be removed from the conceptual model. The following sections further discuss the contributions of communication *relevance*, *clarity*, *sincerity*, *credibility* and *reciprocity* with regards to international management and organizational climate.

### **7.2.1 Relevance**

The study shows that overall communication *relevance* was a primary concern in terms of keeping UNOPS personnel informed by targeting messages to different UNOPS audiences. This includes email traffic from executive leadership and UNOPS personnel. Of particular note, content coming from HQ was often described as lengthy, lacking in conciseness and relevance, regardless of the participant's role and organizational function:

It seems there's a lot of empty emails that come out. Maybe if they were written differently somehow or more concisely, you know, 'expect this' or something, maybe it would go better but this like massive long email in three different languages at the bottom – it's very strange. (NRC/DIP/PGM/3)

This can be partly explained by the current use of mass emails for a range of communication purposes, including announcements, lessons learned, technical advice, financial inquiries and internal vacancies. In addition, some messages are sent in the three UNOPS official languages. As a result, the amount of communication information can be hard to keep track of, especially at an operational level. The findings suggest UNOPS should review its internal communication approach in a targeted manner to improve relevance.



While some noted a lack of meaningful communication, most interview participants expressed negative views regarding the conciseness and frequency of global leadership communication. People noted that UNOPS executive leadership communicated too often, which negatively impacted the perception of communication importance and pertinence. As a result, 90% of interview participants admitted they rarely read communication coming from the Executive Office:

*If Grete (UNOPS ED) sent 6 emails a year, people would read them. When you send 60, no one gives a shit! And people just start deleting them and they never really stop like once you start doing that, people have them go directly straight to another inbox folder. (NRC/DIP/COM/3)*

Accordingly, over half of the personnel interviewed specifically highlighted the need to involve managers to improve communication *relevance*. Several people noted the need to stem the cascade of information between management levels, in which managers should take active responsibility in communicating relevant information to their teams:

*I think as an organization it's very weak for us to think that if we blanket communicate, you know everyone's arse is covered and I'm sure there's an element to that coming. And it's not a good way to communicate. (...) I thought my project engineers should not even be allowed to have general email traffic that comes from places like HQ. Most of it is not what the job is. But some (...) feel they may need to read those emails and maybe it takes an hour in their day but they would be far more productive if their manager was able to select things that were relevant to your team or engage in and explain to your team then. I think in some way you need to think of the distribution bit on how to target your audiences. (RC/DIP/PGM/7)*

The study further highlights Drucker's (2007) idea of communication *relevance* as a preceding criterion. The findings underscore the need to get buy-in from UNOPS local and global management leadership. As such, it is worth noting that

UNOPS communication group (CPG) has been reviewing and attempting to address some of these communication issues. During Q2 of 2016 for instance, CPG was in the process of recruiting an internal a communication specialist to help develop UNOPS' internal communication strategy as well as help the Executive Office communicate more efficiently.

Moreover, the study shows that communication *relevance* is especially important in terms of what employees “need to know” and “should know”, as described by Pearson & Thomas (1997 in Kitchen & Daly, 2002). The findings show consistency with both Zaremba's (2006) concept of communication “*pertinence*” and Marques' (2010) additional criteria for “*conciseness*”. On a more practical level, people communicate a variety of things that are rarely relevant to everyone. In addition, not everyone writes concisely. For an organization like UNOPS that has three official languages and employs teams in dozens of different countries, it would be challenging to assume communication *relevance* and conciseness at every level. Yet, this presents an opportunity for UNOPS management leadership to address communication *relevance* and improve communication efficiency. By involving local managers in communication more actively and promoting relevance, UNOPS could make communication efficiency everyone's responsibility.

### **7.2.2 Clarity**

The findings show that communication *clarity* was directly linked with UNOPS senior and executive managers' ability to promote transparency and foster organizational trust. As was discussed earlier in section 7.1.3, *roles* and *responsibilities* were perceived as unclear, affecting accountability and creating potential conflicts. This was particularly true in terms of UNOPS frequent organizational changes and restructuring efforts. Accordingly, effective internal communication was perceived as positively supporting sound change management within UNOPS. Most interview participants mentioned a need for

senior and executive leadership to address change clearly and directly. A senior business developer sums it up:

*(...) senior management needs to do something quite urgently about communicating some of the big changes in a better way. Yeah, more clarity, put in the face, addressing fear – you cannot say you're restructuring everything and not letting people know what's gonna happen to them in two months*  
(NRC/DIP/BD/7)

The findings show a positive link between communication *clarity* and organizational trust with change management, confirming the studies from several theorists, including Kitchen & Daly (2002) and Bharadwaj (2014). Most of the interview participants said they understood the need for UNOPS to be flexible and implement changes as required. By the same token, they also emphasized a strong desire to be kept informed in a clear and transparent way. Given UNOPS HR practices and contracting policies have resulted in high turnover rates, it is not surprising to see communication *clarity* being cited as important for most interviews. *Clarity* was further reinforced in UNOPS' 2016 People Survey (p. 18), which showed 25% of UNOPS personnel were not satisfied with the level of clarity in the decision-making process.

In addition, the findings suggest a strong connection regarding communication *clarity* with improving the relationship between UNOPS HQ and country offices. One of the frequent issues raised by several interview participants stems from differences in communication styles between entities. HQ has been described as more political with its internal communication often perceived as too subtle and diplomatic, contributing to organizational ambiguity. This can be challenging between HQ project approval processes and country office personnel that are under pressure to deliver projects and require clear answers. One long-time senior manager illustrated the challenge:

*They (HQ) were trying to send messages back to the field, without being explicit. They're trying to say things very subtly and very sort of very correctly (...) they*

*thought they were being helpful, but in the field, completely over their head. So all they saw (the field) was the rejection, they did not see the subtleties of what was written in the rejection, which was actually telling you what you need to do next (...) And meanwhile, (the) Head office, (...) is sitting there saying, why don't they just resubmit it like we told them, you know, and ask for an exception (report) or whatever it is. (...) You never told them, you've said it way to subtly!!!*  
(RC/DIP/SM/8)

The issue of role *clarity* is being addressed by UNOPS. Following a series of mergers between HQ units in August 2015, the UNOPS Executive Office ordered a review of roles and responsibilities. Since then, UNOPS has created a new unit (Quality and Risk Group), tasked to review key aspects including legal, technical and financial areas of responsibilities between organizational functions and units. As such, UNOPS should take this opportunity to promote its efforts towards greater accountability by clearly communicating some of the key outcomes of the review to country-level and HQ directors (during the GMM for instance). In turn, UNOPS local managers could communicate the relevant information to help clarify roles and responsibilities to their teams and raise concerns when appropriate. Communication *clarity* was also closely linked to leadership *credibility* and communication *sincerity*.

### **7.2.3 Sincerity**

The findings in sections 7.1.1 and 7.1.2 showed leadership significantly influenced organizational climate in terms of openness and trust. Accordingly, the findings highlight a strong relationship between communication *sincerity* in fostering trust and credibility in UNOPS' Executive leadership. Moreover, the study suggests a difference between communication *credibility* and *sincerity*. Marques (2010) describes communication *sincerity* and *credibility* as interrelated, though both speak to different aspects of communication. Whereas *credibility* refers to whether or not to believe information, *sincerity* relates to communication transparency and honesty. *Sincerity* also appeals to *reciprocity* and willingness of personnel to exchange openly. In terms of management communication, *sincerity*

was perceived as building leadership credibility and organizational trust, which in turn impacted UNOPS organizational climate for communication. The importance of communication *sincerity* was particularly evident in terms of how interview participants perceived rumours across UNOPS.

Accordingly, the study strongly suggests that UNOPS senior managers should address what employees “could know” as suggested by Pearson & Thomas (1997 in Kitchen & Daly, 2002). The findings lend further weight to the importance of informal organizational climate aspects influencing the perception of trust and communication *credibility*. Like most organizations, communication flows informally within UNOPS. What gets decided behind closed doors often ends up getting leaked beyond the intended parties. For personnel and units sitting closer to internal politics at HQ, the need for sincere communication is largely seen as defining communication *credibility*. Given that over 75% of interview participants noted varying degrees of internal politics within UNOPS, communication *sincerity* emerges as an important quality. Unsurprisingly, several HQ personnel noted a lack of perceived consistency between UNOPS Executive leadership words and their actions:

*There's no point in me having these beautiful speeches written about you caring about staff, you caring about growth, you caring about delivering what matters – and then making sudden changes with no consultations, no assessment of impact, with no plan B and with very poor communication beforehand and saying, oh this was validated or integrated, when people know it's not. That's a very quick way of burning your credibility (NRC/DIP/BD/7)*

Accordingly, the study confirms Kitchen & Daly's (2002) emphasis on leadership being clearly consistent between their words and their actions in fostering organizational trust and credibility. UNOPS senior and executive leadership's actions communicate at times more than their words. Moreover, the findings show that the management of UNOPS, like most organizations, is largely driven by personality. One of the common sources of friction in organizations stems from clashes between the perception of priorities and personalities.

Communication *sincerity* presents a third opportunity for UNOPS global and local managers to exhibit more leadership by promoting the type of work climate they aspire to. This includes being as forthright and sincere when addressing employees about decisions. While it is impossible to hold managers accountable for every informal bit of communication that is spread, managers should endeavour to ensure consistency between their actions and words to mitigate ambiguity and distrust.

UNOPS global leadership has taken a number of steps to promote transparency. For instance, the UNOPS Executive Director ordered the 2016 People Survey from an external consultancy firm (Price Waterhouse Cooper) in part from a desire to get an unbiased picture of employee sentiment across the organization. In addition, the results were communicated via a live presentation in April 2016 across the organization by both UNOPS Executive leadership and a Price Waterhouse Cooper representative. Though the metrics used and interpretation of the results are open to debate, the presentation itself does show some goodwill from UNOPS Executive leadership to openly address some its organizational issues. Furthermore, this thesis was able to use the results from the 2016 People Survey with the approval of UNOPS HR and CPG. This suggests some consistency with UNOPS' transparency policy as a UN organization.

Given the critical importance of leadership as discussed earlier in sections 7.1.1 and 7.1.2, this thesis suggests a review of the conceptual model to include the additional communication criterion of *sincerity*. *Sincerity* is also closely linked to communication *credibility*.

#### **7.2.4 Credibility**

The findings suggest communication *credibility* was related to communication *relevance*, *clarity* and *sincerity*. The concept of communication *credibility* was closely linked to UNOPS managers being consistent with their words and

actions. Returning to UNOPS 2016 People Survey, the presentation of the results was both a positive step and a missed opportunity for UNOPS Executive leadership. While this thesis' findings (see section 7.2.3 above) highlighted efforts by UNOPS senior executives to communicate employee issues in a more open and honest manner, the manner in which some of the 2016 People Survey results were presented by Price Waterhouse Cooper could have been perceived as misleading. For instance, when addressing trust in UNOPS leadership between contractual levels, the presentation amalgamated the results in a graph, which implied that trust and communication improve as employee seniority increases. This is illustrated in Figure 6 below.

**Figure 6 Leadership trust and communication within UNOPS (2016)**



Source: UNOPS People Survey Presentation, 2016, p. 14

Upon closer look however, the management level counterintuitively decreases left-to-right, so the graph actually shows the opposite. As such, the more senior a person was, the lower the general perception of trust was in UNOPS leadership. The presenter did mention trust in UNOPS' leadership was weaker at the senior

management level but emphasized that globally, employees trusted their leadership. A number of UNOPS personnel were quick to express themselves in the following days via UNOPS intranet site, noting the discrepancies related to Figure 6 (above):

*Sad to say so, but one would think that the book “How to lie with statistics” inspired some of the graphs and materials used for the #People Survey presentation by PWC. Expected a bit more respect towards the intelligence of the UNOPS workforce. After all, constructive criticism and eagerness to learn is more likely to keep an organization improving than self-congratulation. (UNOPS contractor via UNOPS intranet and internal tweet feed)*

The findings highlight the importance of consistency and *credibility* related to management. Additionally, the findings lend further weight to Zaremba’s (2006) *credibility* criterion in terms of communication form and its impact on the perception of an organization’s leadership. It is difficult to say if the discrepancies noted above were intentional or not. Nonetheless, the example highlights the importance of addressing key issues clearly and directly to minimize confusion and distrust.

The study also suggests a strong link between communication *credibility* and the technical nature of UNOPS as an organization. Accordingly, a number of senior technical personnel noted a lack of communication *credibility* from UNOPS top management. This perception was in part associated with limited knowledge of management processes and a lack of *clarity* in terms of the decision-making process. Combined with the overall sense that UNOPS often changes its priorities, the findings show that communication *credibility* is important to help UNOPS align its technical personnel with its organizational goals. One senior technical programme manager noted the challenge of aligning technical capacity with management priorities:

*(...) You need to run gap assessments and project assessments and programme assessments, country level assessments to actually understand what the challenges really are. And then look at that stage how you fix them. And what*



*happens is you have a disjoint between what happens in the field, what happens in the textbook and then how people actually interpret it in the head office. So there's no joint or holistic approach to moving forward. What that needs is strong, strong senior management. And if that's not in place to drive direction, then you have this disjointed approach to delivery and you won't ever actually be really good at what you should be good at. (NRF/DIP/PGM/5)*

Organizational alignment is rarely straightforward in decentralised international organizations like UNOPS. For one, technical personnel, including engineers and project managers, tend to have different views regarding organizational problems and priorities. In addition, senior and executive managers often have limited technical backgrounds related to operations, which in turn makes it harder to get buy-in from the senior technical personnel.

Accordingly, the study suggests that communication *credibility* is important for project-based organizations requiring coordination between technical levels and personnel. In addition, the findings also support a connection between organizational trust, communication *credibility* and international change management in technical organizations. The study further supports Kitchen & Daly's (2002) claims regarding the importance of communication credibility in implementing change management initiatives. Furthermore, the concept of communication *credibility* was also positively linked with the degree of bottom-up interactions. Of particular importance, the perception that UNOPS Executive leadership and in some instances, country-level directors, do not make informed decisions based on bottom-up technical considerations affected the overall perception of communication *credibility*. The following section addresses *reciprocity*, the last criterion for effective internal communication.

### 7.2.5 Reciprocity

The findings show that communication *reciprocity* was closely linked to UNOPS personnel's perception of communication *relevance, clarity, sincerity and credibility*. Communication *reciprocity* was important to most interview participants in terms of enabling daily work coordination and the perception that personnel consider feedback before their actions. However, both HQ and field personnel recognised a need to improve honest feedback. Accordingly, the study demonstrates some of the criticism levelled against social exchange theory and communication reciprocity. Internal communication is only as effective as the degree of honesty and consistency between organizational actors. As was noted earlier, HQ interactions are often not as straightforward as those of peers working in country offices, impacting the perception of communication *reciprocity*:

*There is some good interaction; there is good interaction where you would least expect it. But where you need solid peer review processes, where you need solid communication, seems to falter. People have a "yes, yes that's lovely mentality" then walk out the office and do something different. That behaviour is just shocking, shocking and I think that's a UNOPS culture, I think. Which is bad*  
(NRC/DIP/PGM/5)

As McPhee & Poole (2001) suggest, people are free to ignore information depending on their priorities and internal political dynamics. As such, *reciprocity* and trust in peer interactions was linked to *credible* communication and consistency with actions. A lack of open feedback was also highlighted between field personnel and the perceived value of operational support from HQ. One project manager noted that a lot the strategic work that comes out of UNOPS HQ is often done without the consultation of country offices. As a result, this has impacted the perception of HQ's value in its support function and ultimately has influenced what project personnel end up using in practice:

*(...) I think they (HQ) need to work more with the people in the field honestly. People (from revenue centres) tend to be nice with people from HQ but it would be good if people criticised the work really. They "say yes, yes" and people put it*

*online and no one reads it. I think it's good to have this relationship where people actually share what they think and work on the deliverables. (RC/DIN/PM/4)*

This can be partly explained by the lack of incentives related to coordination and input between teams, units and organizational functions. This further highlights the link between structural requirements, communication *reciprocity* and some of the pressures related to producing measurable outputs. From a HQ's perspective, this has resulted in a number of initiatives being developed without proper country office input. Two UNOPS personnel illustrate the challenge:

*There is no incentive to collaborate, from a like a performance evaluation point of view (...) I saw several attempts from managers to align as much as possible and very often in the end almost kind of giving up (...) I think that's also related to the structure of the incentives and how to the performance evaluation are designed, because they're designed for outputs that you're directly responsible for, that you can count, you can measure and you can put a nice flag next to your name and that often matters - particularly at HQ level (NRC/DIP/BD/7)*

*We are not measured on our ability to collaborate with others in any way shape or form. And if we were, we would fail. At the same time, if we were, I don't think we'd survive either you know (NRC/DIP/PGM/3)*

To a certain extent, coordinating initiatives and aligning an organization the size of UNOPS is impractical. People have various operational constraints and pressures linked to their roles. HQ personnel need to increasingly produce relevant content to support operations. Country office personnel need to work to secure new agreements while implementing projects. So in a sense, getting input and fostering greater communication *reciprocity* is a constant challenge as a result of the operational nature of UNOPS.

Furthermore, the study shows that UNOPS HQ executive leadership could benefit from increasing bottom-up communication from senior technical personnel and projects that inform and support the strategic decision-making

process. As such, the findings show that aligning internal capacity with organizational goals starts with UNOPS executive leadership being informed of what the organization actually does. This has been reflected in a lack of a clear vision of what UNOPS should pursue. This is evident when looking at UNOPS's more recent push towards impact investments.

This kind of push to position UNOPS seems to be driven by the potential to increase revenues without really assessing the organization's core competencies. While there is nothing wrong with diversifying revenue sources, the UNOPS executive office tends to showcase the potential for impact investments from a strictly financial perspective. The researcher noted the following observations earlier in 2016:

*Throughout most of 2015 and early 2016, little internal communication was sent out to present a proper business case detailing why UNOPS infrastructure is positioning itself within impact investment, other than citing studies that suggest significant funding areas. As the UNOPS People Survey presentation suggested, the Executive Office is focusing on top-down communication, hoping that alignment will eventually trickle down. Yet, UNOPS is a technical implementation organization. UNOPS senior executives should be substantially increasing communication from the bottom up to help guide their strategic decision-making process.*  
(Researcher Observations, 2016)

That being said, UNOPS has worked to improve the way it integrates key inputs. Earlier in 2015 for instance, UNOPS EO and HQ units increased the amount of oversight and input from country directors during the budgeting and work plan development processes. While it is difficult to quantify how much of the input ended up in the 2016 HQ work plans, the efforts to increase country level buy-in is a positive step forward.

## 8.0 DISCUSSION AND IMPLICATIONS

*The following chapter presents a discussion of this thesis's overall findings. First, a discussion of the research questions and study results is presented. The thesis's conceptual model is subsequently revised in light of the findings. Second, implications for international management and internal communication are presented. The chapter concludes with implications for future areas of research.*

### 8.1 Discussion of Study Results

This thesis explored two research questions related to internal communication effectiveness: First, *how does organizational climate impact the flow of effective internal communication in project-based international organizations?* Second, *what is the relationship between effective internal communication and leadership in project-based international organizations?* Internal communication in this thesis is considered effective in relation to five criteria namely *relevance, clarity, sincerity, credibility and reciprocity*. Conversely, if most of these aspects are absent, internal communication is regarded as ineffective.

The study shows that organizational climate directly influences the degree of internal communication effectiveness. Additionally, the findings reinforce the claim that leadership within international organizations is entwined with internal communication. Organizational trust was a critical dimension linked to internal communication between personnel. The study confirms that negative organizational trust proportionately influences ineffective internal communication. UNOPS *leadership, policies and practices* as well as its *structure* had significant influence in shaping the organizational climate for effective internal communication and trust. Furthermore, communication *relevance, clarity, sincerity, credibility and reciprocity* suggest a proportionate relationship with UNOPS senior and executive leadership. As such, the study found that weak leadership begets ineffective internal communication. Conversely, the study

suggests that communication *clarity*, *sincerity* and *credibility* support a positive perception of leadership across the organization. Finally, the study highlights a need to review the conceptual model of this thesis in light of the findings (see 8.1.3) to include communication *sincerity* as an emerging criterion and remove *channels* as a defining feature of organizational climate. In addition, the study shows a need to remove communication *sufficiency* from the conceptual model, as the findings do not establish a clear relationship between communication “quantity” and effective internal communication.

### **8.1.1 Organizational Climate and Internal Communication**

Regarding the first research question, the findings confirm that the organizational climate strongly influences the degree of internal communication effectiveness within UNOPS. Moreover, *leadership* was perceived as the central binding theme within groups and globally across the organization. All UNOPS personnel interviewed noted the critical role played by managers in fostering organizational trust, thus setting the organizational climate for internal communication. As such, *leadership* had an impact in terms of all five of the communication criteria identified, namely *relevance*, *clarity*, *sincerity*, *credibility* and *reciprocity*.

The research shows that UNOPS executive leadership contributes to building organizational trust, mobilizes office-level leadership and strengthens internal alignment. Regardless of role, function and level, interview participants stressed the importance of clear, honest and consistent global leadership. UNOPS executive leadership decisions were also shown to trickle down into the organization. “*Walking the talk*” was perceived as particularly important to most of people interviewed. Failure on the part of UNOPS executive leadership to be consistent between words and behaviour erodes organizational credibility and buy-in from senior managers across the organization. This partly fuels internal politics and impacts UNOPS senior managers’ willingness to engage openly with the rest of the organization. More importantly, buy-in from senior managers at the office and unit level becomes more difficult, thus impacting the organization’s

ability to align internally and implement any systematic initiative, including processes that are more conducive to effective internal communication.

The findings also show that UNOPS office level leadership acts as the gateway between local work contexts, teams and the rest of the organization. Country-level directors and local managers were perceived as having both positive and negative influences in terms of fostering employee willingness to engage with the rest of the organization. In addition, environment distances and socio-cultural dynamics between organizational contexts were either perceived as being heightened or mitigated depending on the local management leadership. The study also demonstrates that leadership trust between management levels is essential to foster effective internal communication. Trust in the executive leadership has a direct relationship with the *clarity*, *sincerity*, *credibility* and *reciprocity* of internal communication.

In addition, technical personnel often felt they were disconnected from the rest of UNOPS as a result of time constraints and environment distance. The findings suggest that managers need to help fill this gap by proactively communicating key organizational information to technical teams. UNOPS office and unit managers provide critical influence in terms of organizational behaviour and the flow of internal communication.

Regarding the importance of *leadership* in organizational climate, the findings show that effective internal communication starts with global leadership that promotes accountability and trust through consistency between actions and words. In addition, the flow of internal communication is enabled by and dependent on office-level leadership within international organizations.

The study confirms that consistency between *policies and practices* shape the strength of an organizational climate that fosters effective internal communication namely in terms of *clarity* and *reciprocity*. Most personnel interviewed noted

discrepancies between UNOPS *policies and practices*, negatively influencing their perception of trust and communication openness. UNOPS HR *policies and practices* suggest high personnel turnover rates. Employment uncertainty in turn impacted the degree of trust and communication *reciprocity* with supervisors and, more broadly, with the rest of the organization. Although briefly discussed, the findings suggest that local socio-cultural dynamics matter at country office level in terms of communication *reciprocity*. Depending on the socio-cultural norms in country offices, the perception of authority limited the degree of communication *reciprocity* possible between local and international personnel, as well as between locals and supervisors. Accordingly, UNOPS local management needs to show leadership by actively addressing these differences when possible to foster greater trust between local and international personnel.

Furthermore, UNOPS's substantial financial reserve indicates some ambiguity in terms of its not-for-profit status, accrued reserves and the transparency of its profit redistribution. UNOPS "doing more with less" mentality has translated into constant personnel cuts at the HQ level, affecting UNOPS strategic capacity. As such, UNOPS's espoused UN values, HR management practices and its redistribution of funds as a not-for-profit organization seem at odds. In addition, the findings suggest that UNOPS's yearly profit redistribution is not clearly translating into substantial funding towards innovation and improving operational quality. Accordingly, the findings reinforce the idea that an organizational climate for effective internal communication is directly impacted by the degree of consistency between organizational policies and practices.

Third, the findings show that UNOPS *structure* impacts communication between peers. The organizational distance between UNOPS personnel and work priorities negatively affected the perception of roles and responsibilities, supporting the research's initial assumptions linked to organizational *structure*. The levels of proximity between project personnel and HQ functions were shown to affect the knowledge of UNOPS personnel roles, responsibilities and the



perception of accountability. Often, a lack of understanding of roles and areas of expertise varied between parts of the organization. In addition, several country-level personnel quoted a lack of time as negatively impacting their communication with UNOPS peers outside of their office/group.

Frequent organizational changes and restructurings have contributed to cautious interactions between many parts of the organization, particularly at the HQ level. For instance, roles and the perception of accountability were often cited as being unclear and inconsistent across the organization. In turn, friction between teams and organizational functions exist. Combined with the pressures of resource allocation, this friction has limited information sharing and coordination between UNOPS groups on a wider scale. The findings show that organizational distance and frequent organizational changes influence the perception of roles and role behaviour. As such, organizational structure shapes organizational climate and influences the degree of *clarity* and *reciprocity* required for internal communication.

Regarding the communication *channels*, the findings did not establish their importance in terms of directly impacting organizational climate for effective internal communication. Surprisingly, differences in ICT capacity were found to be less of an influence as was originally assumed in terms of fostering regular internal communication. This can partly be explained by the design of the research instrument, which did not clarify if and in what ways local ICT impacted communication between UNOPS peers. Regardless of development context, UNOPS personnel showed they overwhelmingly rely on emails, Skype (with varying degrees of connectivity) and phone calls to communicate with peers across the organization. While the study does not confirm or negate the importance of UNOPS intranet as a communication platform, UNOPS should define a clearer function for its use, such as operational vs. strategic purposes, and reallocate appropriate levels of resourcing as required.

### 8.1.2 Internal Communication and Leadership

Regarding the second research question, the study strongly suggests that the degree of (in)effective internal communication is proportionately linked with leadership. While the findings show that poor leadership negatively influences internal communication, the study suggests that effective internal communication can positively support the perception of UNOPS' leadership. The study also shows a need to review the thesis's conceptual model in light of the findings (see section 8.1.3). As such, communication quantity or *sufficiency* was attributed to communication *relevance* in the analysis. *Sufficiency* was not clearly established as influencing UNOPS's ability to manage. In addition, the study identified a need to add communication *sincerity* as strongly supporting leadership credibility. Accordingly, the communication criteria of *relevance*, *clarity*, *sincerity*, *credibility* and *reciprocity* directly impacted the perception of UNOPS management leadership across the organization.

Additionally, the findings show a strong relationship between effective internal communication and change management. Communication *clarity*, *sincerity* and *credibility* were particularly important in terms of addressing organizational changes in a transparent manner. The findings also demonstrate that the relationship between UNOPS stakeholder engagement and effective internal communication is not conclusive. While UNOPS internal communication was perceived as weak, its overall employee engagement is strong with the notable exception of HQ and a few regional offices. Overall, the study shows that UNOPS personnel believe in the work being done and seem dedicated to UNOPS's success amidst some of the issues identified.

In terms of communication ***relevance***, the findings show that communication needs to be concise and tailored to the needs of the recipient. This implies that UNOPS executive and senior leadership at the HQ and country office levels require an awareness of what employees "need and should know". In addition, UNOPS managers need to actively take part in the communication distribution

process to limit the amount of communication noise. Communication *relevance* was also linked with supporting a positive perception of UNOPS management leadership decisions in terms of *clarity* and *credibility*.

Accordingly, the study further supports the importance of communication *clarity* to help establish UNOPS's global vision and address UNOPS's frequent organizational changes and turnover rates. Communication *clarity* was directly linked to UNOPS's change management. In addition, the findings show that UNOPS senior executives have not succeeded in clearly communicating a strategic approach across the organization. As such, communication *clarity* was positively associated with supporting the perception of accountability, organizational trust as well as reducing the organizational gap between HQ and country offices.

Communication *sincerity* emerged as an additional criterion closely linked with supporting UNOPS executive leadership's *credibility*, especially during periods of change. The findings highlight that management leadership actions matter and can affect the perception of sincerity and credibility. As such, a communicator's actions need to be consistent with his/her words. Communication *sincerity* positively supported the perception of organizational trust and change management.

In addition, the findings show that communication *credibility* is linked with *sincerity* and *clarity*. UNOPS senior managers' ability to align and implement initiatives is largely dependent on the degree of communication *credibility*. This was partly explained by the technical nature of UNOPS operations and the need for an informed and knowledgeable decision-making process. Communication *credibility* was also linked with change management.

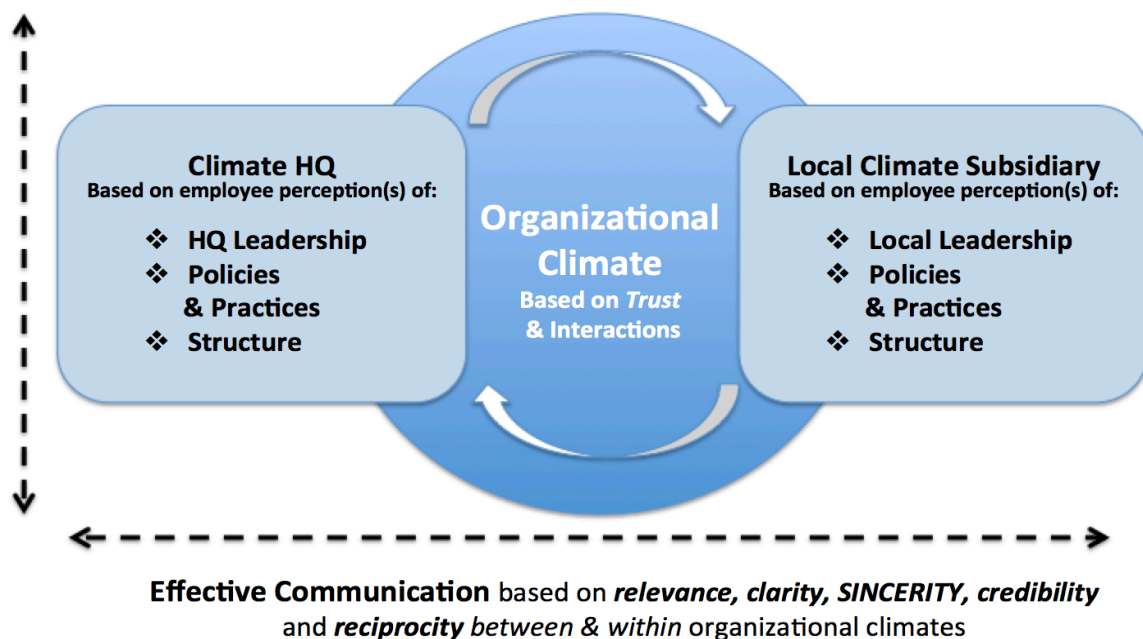
Finally, the study highlights the challenges linked to and importance of communication *reciprocity*. *Reciprocity* was closely associated with

communication *relevance*, *credibility*, *sincerity* and *clarity*. As such, the findings show that communication *reciprocity* is only as good as the degree of trust and understanding between UNOPS employees. *Reciprocity* was linked with a positive perception of organizational trust, clarity and credibility in the decision-making process as well as with employee collaborations.

### 8.1.3 Refined Conceptual Model

Based on the key research findings identified above, the conceptual model of effective internal communication has been refined. Accordingly, the concept of communication *channels* has been removed from the four factors that impact organizational climate for effective internal communication. Additionally, the concept of communication *sufficiency* has been removed from the five main criteria for effective internal communication. Furthermore, the refined conceptual model includes the *sincerity* criterion (in capital letters) for effective internal communication. This is shown in Figure 7 below.

**Figure 7 Refined conceptual model of effective internal communication and organizational climate**



Source: Own representation

## **8.2 Implications & Contributions**

The study focused on organizational climate and internal communication in a large international organization with project-based activities. Accordingly, the research contributes to both international management studies and internal communication in a number of ways.

First, internal communication has been recognised as a critical dimension of managing people in contemporary organizations (Mintzberg, 1989; Kitchen & Daly, 2002; Kalla, 2005; Drucker, 2007; Hamel, 2007; Marques, 2010; Karanges et al., 2014). Yet, some theorists have also recognized a gap in knowledge about effective internal communication and organizational climate within large organizations (Kitchen & Daly, 2002; Chen et al., 2006 in Marques, 2010; Maitlis & Christianson, 2014).

As such, this research offered an in-depth look at what constitutes organizational climate by probing for employee perceptions of their work environments. This included inherent tension between management levels, consistency between organizational policies and practices as well as organizational structure and role behaviour. The study also found that communication channel use was inconclusive in defining organizational climate.

This study contributes to the broad field of organizational communication with a refined model for effective internal communication within international organizations. Accordingly, the study tested the influence of five criteria for effective internal communication, supporting the works of Zaremba (2006) and Marques (2010). As such, the refined conceptual model offers scholars insights into the complex relationships between internal communication and international management.

Second, the study supports the findings of a growing number of scholars that link leadership and business success with internal communication and consistency between management words and actions (Kitchen & Daly, 2002; Drucker, 2007; Hamel, 2007; Dyer et al. 2011). This thesis demonstrated the importance of consistency and accountability in leadership within an international organization in fostering credibility and trust between organizational levels. The study further indicates that executive, senior and middle managers are directly responsible for prioritizing and setting the communication tone within organizations.

As such, effective internal communication within international organizations requires leadership that extends beyond team members and borders. This implies that sustained long-term business success is dependent on leaders who have a strong relationship with the organization beyond their own self-interest. This also implies that open and honest feedback in effective internal communication starts with executive officers, senior directors and managers that promote a culture of exchange by prioritizing effective communication. Moreover, the findings highlight the core challenges related to organizational trust and open and honest feedback in improving internal capacity and alignment (Mintzberg, 1989; McPhee and Poole, 2001).

Third, this case study also contributes to the growing body of literature that correlates effective internal communication with change management (Kitchen & Daly, 2002; Drucker, 2007; Bharadwaj, 2014). This includes insights into how communication *clarity*, *sincerity* and *credibility* can help reduce organizational ambiguity in times of change. In addition, the study also contributes fresh insights regarding the relationship between employee engagement and internal communication. While theorists agree that effective internal communication promotes employee engagement, there is a recognised gap in empirical studies that demonstrate this relationship (Chen et al., 2006, in Marques, 2010). The findings show overall high levels of employee engagement across UNOPS while highlighting feelings of poor internal communication. This paradigm contributes to

the limited body of empirical studies related to internal communication and stakeholder engagement (Kitchen & Daly, 2002; Kalla, 2005; Karanges et al., 2014).

### **8.3 Future Research Areas**

This case study research on UNOPS suggests a number of interesting areas for future research on internal communication effectiveness. As was mentioned previously, internal communication is increasingly associated with a number of desirable organizational outcomes, including employee satisfaction, retention and change management (Kitchen & Daly, 2002; Drucker, 2007; Marques, 2010; Karanges et al., 2014.) Accordingly, the study suggests a need to further test the relationship between effective internal communication and employee engagement. This relationship could be further assessed using another not-for-profit international organization or a different UN entity to establish parallels with the UNOPS case study.

In addition, the findings and refined conceptual model provide a baseline for further empirical studies regarding organizational climate and internal communication within international organizations. As the study notes, organizational trust is a central aspect linked to internal communication and personnel interactions. The relationship between organizational trust and internal communication could be further explored by focusing on the socio-cultural aspects of country offices within international organizations.

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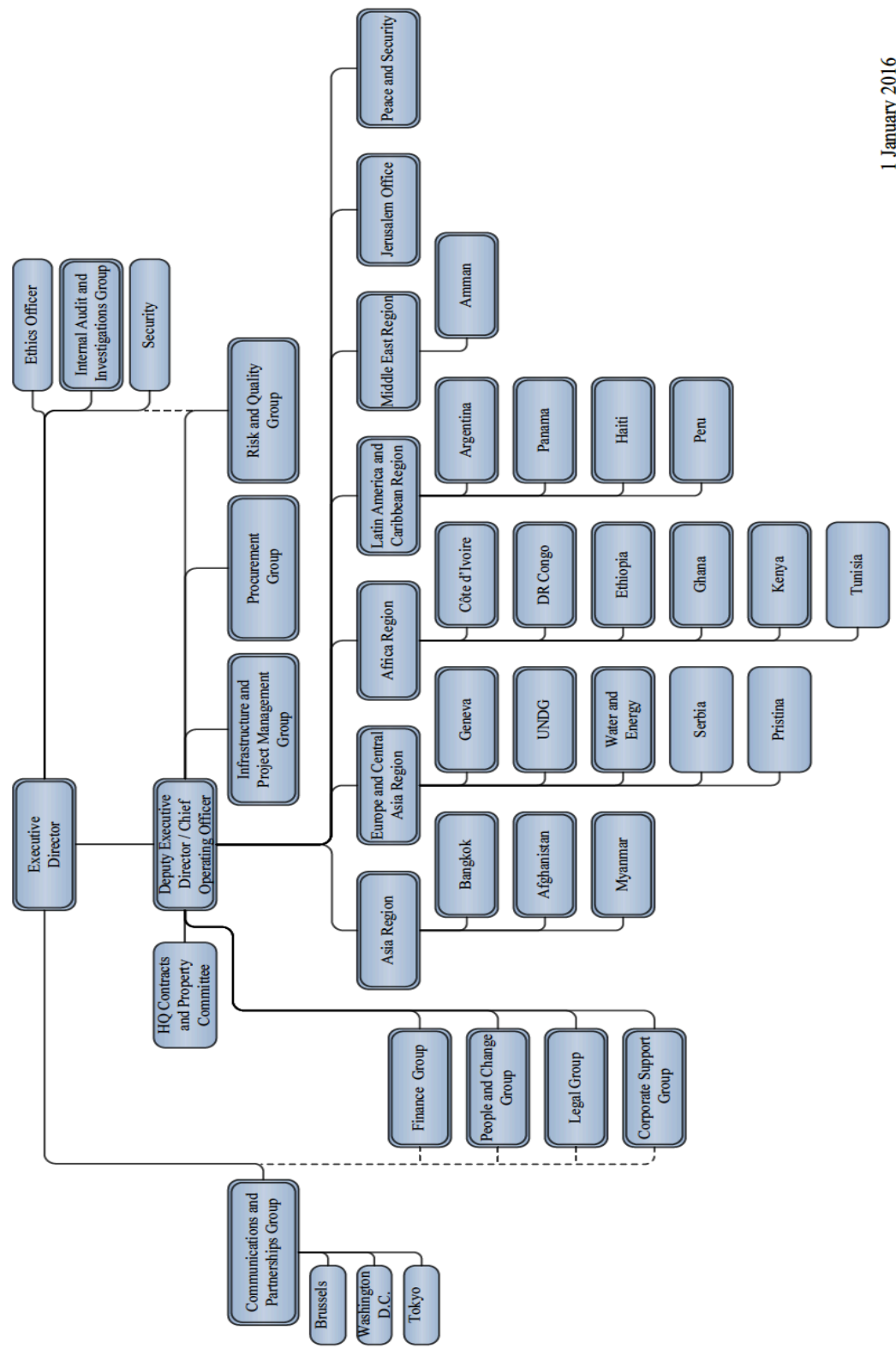
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Annex I - UNOPS Global Structure



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